



**ODISHA STATE ASSOCIATION OF
FINANCIAL INCLUSION
INSTITUTIONS (OSAFII)**

**ANNUAL ACTIVITY REPORT OF
OSAFII: 2022-23**

BHUBANESWAR, ODISHA



ODISHA STATE ASSOCIATION OF FINANCIAL INCLUSION INSTITUTIONS (OSAFII)

Background:

The contributions of Financial Inclusion have been well accepted by various development agencies including Governments, Banks, MFIs, NGOs and donors at national and international levels mainly because of its pro-poor interventions and positive impacts in their lives. Experience from different regions has already substantiated the fact that financial inclusion greatly helps families, especially poor households in the process to build their assets, manage risks, and smooth consumption. It also provides capital for microenterprises to grow and employ more people. In the process Financial Inclusion also brings informal economic transactions into the formal system. In the long-run financial inclusion is set to contribute reasonably for the financial stability and inclusive growth of the nations. With Financial Inclusion emerging as a major policy component in India, microfinance through its inclusive financial services is seen as one of promising tools to reach out to the unbanked populations. Delivered mainly through the Banking and MFI channels and with its focus on financial and social aspects; microfinance contributes significantly to expand financial inclusion by offering need based financial services to poor clients.

The state of Odisha has emerged as a potential microfinance market in the eastern region of the country and projected a rich diversity of microfinance models, practices, tools and products etc. The role of MFIs in providing the financial services for the poor has been quite encouraging, especially in terms of their outreach and service delivery at the door steps of the members. Having adopted various client friendly methodologies including SHG and JLG, microfinance has been able to reach out to a large section of people, particularly women members in the state. As reported >70 institutions including NBFCs & NBFC-MFIs work in Odisha and offer financial services, mainly micro credit to the low income groups of people. Collectively they covered all the districts (30) in the state, reached out to about 42.36 lakhs clients and have the loan portfolio of Rs. 17,907 crores as on 31st March'2023 (MFIN Micrometre). The NBFC-MFIs and NBFCs lead significantly in this process.

A Brief Note on Odisha State Association of Financial Inclusion Institutions:

The Odisha State Association of Financial Inclusion Institutions (OSAFII) operates as a member-based coordinating organization of various microfinance institutions (MFIs) including Non-banking Financial Companies (NBFCs), NBFC-MFIs, Small Finance Banks (SFBs) etc that offer financial services to poor and help expand financial inclusion and entrepreneurship in the state of Odisha. It was established as a Trust in the year 2016. With a view to better coordinate with all stakeholders in the state as well as at national levels and strengthen the inclusive finance sector in Odisha, the MFIs together formed OSAFII and got that registered as a Charitable Trust in the year 2016. Since then OSAFII has been functioning as a state level association of MFIs in Odisha. The core intent of the association is to facilitate better coordination and convergence among all stakeholders involved in financial inclusion

and provide them a common platform for sharing of their experiences. It works for strengthening the inclusive finance sector in Odisha by addressing the state specific issues and challenges. OSAFII also helps strengthen the capacity of its members and stakeholders on various thematic areas including on responsible finance, code of conduct, client protection principles, social performance management, risk management, entrepreneurship development etc. OSAFII operates with the following Vision and Mission;

Vision: Establish an Inclusive & Sustainable Financial Society

Mission: To Create Enabling Environment for Financial Inclusion through Stakeholders' Engagement

Key Priorities and Program Focus of OSAFII

1: *Networking & Coordination:* To coordinate and build collaborative efforts among all stakeholders for strengthening further the financial inclusion sector in Odisha.

2: *Capacity Building of Members & Stakeholders:* To design and offer customized technical assistance including demand-based trainings for member MFIs & other stakeholders.

3: *Promote Industry Standards & Best Practices:* To encourage and educate member organizations and help they proactively practice the Responsible Finance, SRO principles & SPM processes in their respective microfinance programs.

4: *Policy Advocacy:* To take up policy and other issue-based advocacy with Government, policy makers and regulators for strengthening further the enabling environment in the state.

5: *Knowledge Management:* To ensure regular collation of web based and other relevant information on financial inclusion and microfinance and dissemination that with members and stakeholders.

Members of OSAFII:

OSAFII is a Member-based organization. It is owned, controlled and managed by the Members. Started initially by Seven home grown MFIs, the association was joined later by other national level organizations operating in Odisha (21). Currently OSAFII has got 28 Members including 20 NBFC-MFIs, 04 NBFCs and 02 SFBs in Odisha. Increased memberships and their contribution give OSAFII an institutional footing, mandate and legitimacy to work in the state. OSAFII Members are dedicated to achieving the double bottom line i.e. social and financial development of the poor. Apart from providing micro credit-small business loans, micro insurance services etc, they also undertake various credit plus and welfare activities including on health and hygiene, water and sanitation, education, solar light, rural housing, enterprise promotion, relief and rehabilitation etc.

Governance & Management:

As an association, OSAFII is being managed by its own governance system. The General Body is constituted with the participation of each Member MFI/Organization, represented by the head of institutions in the state. The Board of Directors/Trustees is consisted of twelve members. The Board meets every quarter, deliberates on various agendas and issues concerning to the sector and takes collective decisions on that. A Chief Executive Officer (CEO) has been recruited by the association and assigned with the responsibility of coordinating OSAFII programs in close collaborations with members and other stakeholders.

Key Stakeholders:

The Small Industrial Development Bank of India (SIDBI) has been one of the key stakeholders of OSAFII since its inception. SIDBI through its Poorest States Inclusive Growth (PSIG) Programme extended financial assistance earlier. Currently also SIDBI is providing its project based support to promote and strengthen women entrepreneurs among SHG/JLG members in Odisha. In addition to SIDBI, OSAFII also closely works with other key stakeholders in the state including the Regional Office of RBI, NABARD, SLBC, Banks, BCs, and Government line Departments, especially Directorate of Institutional Finance, NRLM/OLM, WCD-Mission Shakti, NULM/SUDA etc. At the national level OSAFII collaborates with SROs- MFIN & Sa-Dhan.

Programme Activities undertaken by OSAFII during FY:2022-23:

Since its inception, OSAFII has been undertaking various sector building initiatives and capacity building activities in the state. The FY: 2022-23 was a quite eventful year for OSAFII. The association successfully organized most of its planned activities including Members' Coordination Meetings, Board Meetings, Annual General Body Meeting, OSAFII-Cricket Tournament, 4th Financial Inclusion Conclave, Stakeholders' Meetings, Recruitment Drives for Member MFIs, Follow-up of Field Issues etc. OSAFII was also able to plan and start implementing the SIDBI supported WE-LEAD Program to promote and strengthen women entrepreneurs among the MF Clients served by Member MFIs in the state. Below is given a brief summary of the Activities undertaken and progress made by OSAFII during the year.

Organizing Board Meetings:

In line with the established practices since its inception, OSAFII continued to organize periodical Board Meetings, both in physical as well as virtual modes. With a view to strengthen the structure further, 03 new Institutional Members- from BFIL, IIFL Samasta and Muthoot Microfin were selected by the General Body Members in its 6th AGM and were inducted into the Board during the year. Altogether six Board Meetings were held during the period. The meetings were Chaired by the President-OSAFII and attended by most of the Board Members. The Members present had quite enriching deliberations and subsequently made consultative decisions on various agenda points including: Management of the Association, Expansion of Memberships, MF Certificate Course, Mobilization of Resources, Organizing Cricket Tournament for Members, Organizing FI Conclaves, and Implementation

of WE-LEAD program supported by SIDBI etc. Deliberating on the financial matters, the Board also approved the annual budget for the association. It also reviewed the overall income and expenditures of the association, ensures that accounts are audited and presented to AGM for approval of that. In view of the financial constraints faced by the state association and also to support OSAFII in undertaking the Conclave, Meetings and other activities, the Board Members also agreed to remit their respective Membership Renewal Fee (FY: 2022-23) as per the revised rate and advised other Member Organizations to remit that on time. The support and guidance from the President and Board Members have been quite helpful for OSAFII to manage its office and to undertake various programmes in the state.



OSAFII Board Meetings

Organizing Members' Coordination Meetings:

Organizing periodical Members' Coordination Meetings (MCM) has been one of the key activities of OSAFII from the beginning. In view of that OSAFII conducted four MCMs during the year in which most of the members attended the meetings. Members present reviewed the overall microfinance operations in the state, identified key issues and challenges, made state specific common strategies/action plans to address them and advised OSAFII to follow-up/coordinate that. Members also had deliberations on various subjects related sector building initiatives/activities and budget of OSAFII, stakeholders' interface, trainings and capacity building, recruitment of staff and retentions, management of the association, organizing the FI conclave, Friendly Cricket tournament among Members etc and took decisions on consultative manner.

Based on the sharing of the CEO on the progress updates and quarterly action plan, members provide their feedback and also extended cooperation to complete that. Most of them also provided their Membership Fee as per the revised rate which helped OSAFII in meeting the program as well as Office expenses incurred during the year.

The support and cooperation extended by Members, especially in organizing the Friendly Cricket Tournament for Members and 4th Financial Inclusion Conclave-2023 were very helpful and appreciated very much.



OSAFII Members' Coordination Meetings (MCMs)

Annual General Body Meeting (AGM):

OSAFII organized its 6th Annual General Body Meeting on 14th September'2022 (Friday) at Hotel Sheetal, Bhubaneswar, with physical presence of the Members. Altogether 35 participants from various member organizations attended the AGM. After the initial greetings to all Members, the CEO shared the background of OSAFII-how it was formed about six years ago-mainly to coordinate with all key stakeholders, line departments, institutions etc. involved in promoting financial inclusion and providing financial services to the poor.

The CEO then invited Mr. Dibyajyoti Pattanaik, President-OSAFII (participated virtually) to give his Opening Note. The President welcomed and thanked all the Members for taking out time to attend the meeting. He shared briefly the sector updates, trends, issues and challenges etc. both at the national and state levels. He appreciated the contributions of Member MFIs in serving the poor and low income group of people in the state through their respective microfinance operations. Highlighting the importance of state level associations in building stakeholders' relationships and addressing the ground level issues, he shared how it was difficult to deal with the state machinery- Govt Officials and other stakeholders that had no state level associations operating during the challenging times like demonetization, pandemic, natural calamities etc and convince them. On the other hand the process became much easier in the states in which state associations were functioning. This is evident from

Odisha as OSAFII has been keeping close contacts and with various stakeholders and sensitize them in the state. In view of that he emphasized the need to strengthen further to OSAFII in Odisha. He also invited other Members to join OSAFII Board, Small Committees, take responsibilities and contribute to strengthen further the microfinance sector in the state.

The General Body Members present in the meeting had very enlightening deliberations and shared their valuable inputs on various aspects of microfinance program and the sector. Most Members believed that collectively they were able to face the challenges posed by COVID-19 and despite that continued to provide financial services to clients by adhering to Govt Directives and Advisories from the Regulatory Authorities. Post-pandemic, the microfinance operation in the state was found to be getting stabilized and limping back to the pre-COVID level. Of course some of the field level challenges including the ring leaders' issue, staff attrition and frauds by some of them, negative reporting by media, misconception by some stakeholders, especially at the district/block levels on microfinance and its interest rate/ etc. are being experienced sporadically at different pockets.

The CEO-OSAFII shared the minutes of the last AGM. He also presented OSAFII Annual Activity Report of FY: 2021-22. Mr. Jugal Kishore Pattanayak, Treasurer presented the Audit Report for FY: 2021-22 of the Association. Having deliberations on the GB Members approved the Audit Report and Annual Budget. The GB Members also appointed the Auditor for next year.



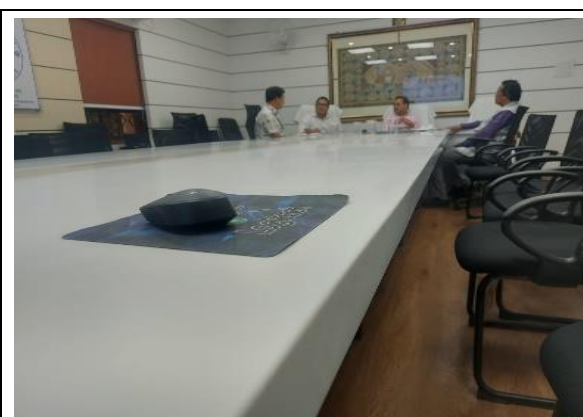
6th Annual General Body Meeting of OSAFII

The CEO presented the Activity Plan and Budget of OSAFII for FY: 2022-23. He also shared the financial status of the association, which was not good during the year. Sharing his inputs on

the financial situation of OSAFII and its estimated budget, the Treasure urged all Members to contribute additionally for strengthening the state association in Odisha. The General Body Members discussed on the subject in-depth, suggested to develop and adopt a prospective Resource Mobilization Plan. They also agreed to revise and enhance the Membership fee in line with other state level associations. That would help OSAFII meeting the estimated budget needs and managing the office and programs. The General Body Members had discussions on the Board & Governance related matters, selected three new institutional members from Bharat Financial Inclusion Ltd, IIFL Samasta Finance Ltd and Muthoot Microfin Ltd and approved their inclusion in the Board of OSAFII. At the end, a few suggestions and action points were made in the AGM and the CEO-OSAFII was advised to follow-up/coordinate that.

Meetings with Stakeholders:

Over the years, OSAFII has been able to build and strengthen its rappo and relationships well with key stakeholders in the state. OSAFII continued to have thematic and strategic meetings and interactions with various key stakeholders and resource agencies related to financial inclusion, financial services, enterprise promotion, capacity development etc. It periodically visited and had interactions with SLBC, NABARD, SIDBI, Directorate of Institutional Finance, Regional Office of RBI etc. OSAFII team met the Convener-SLBC and his team, requested them to include it as a Member in the SLBC and also shared the progress updates and issues and challenges faced by the MF sector and field staff in the state.



Meeting with Secy: PR Dept, Govt of Odisha



Meeting with the Convener & Team-SLBC

On invitation, OSAFII team had a meeting with the Secretary & his Team, Panchayat Raj Dept, Govt of Odisha. Gave a brief presentation, mainly on the key program activities undertaken by OSAFII & Members in Odisha. Besides going through the presentation, they had a lot of queries on the legal (registration), operational procedures, coverage, products and services-loans, interest rates charged etc. of NBFC-MFIs/SFBs in the state. It seemed to be that they were better sensitized on MF operations. Their main interest was, however, how MFIs can support the PR Dept in implementing its Rural Housing and WASH related schemes in the rural areas. Currently, the Dept is planning to come out with a Rural Housing Product and proposing to advise Banks for providing loans to Beneficiaries@9% (1- 3 lakhs), with the possibility of 6% Interest Subvention on that by Govt. They wanted to know how OSAFII & its Member MFIs

can help the PR Dept in this regard. Overall, it was a good sensitization program for the PS and his team on MF, who patiently listen and took keen interest in interacting with the team for > an hour.

Related to the field incidence in Puri district, the team visited RO-RBI along with the SROs and shared the field observations with the RD & his team. The RD was very much keen to know whether any deviations were found with RBI Guidelines, especially on lending/over lending, repayment processes, timing etc. He suggested to re-orient staff on RBI new guidelines and advised MFIs to better adhere to that. As part of the follow-up action, it was proposed to organize a meeting between the RO-RBI team and MFIs.

The team also met Hon'ble Chief Secretary and apprised him about the incident & field findings. Having listened to the field findings he advised MFIs to avoid over indebtedness by the microfinance customers, as many of them may belong to BPL families. The team updated him about MFIs' work in Odisha. He appreciated the efforts of MFIs in reaching out to people in the rural and remote areas especially in 4000 + unbanked GPs and providing them micro credit for various small business activities. The team also met the State President, MP and Spoke person and other leaders of BJP who had taken up the Puri suicidal case. The team explained them about the legality of NBFC-MFIs, microfinance operations, processes involved and RBI's monitoring of that.

Visits to the Field and Meetings with District Level Stakeholders:

OSAFII team also undertakes field visits periodically to different districts and holds meetings and interactions with MFI teams and also district level stakeholders. Based on the field level issues including that was caused by the Ring Leaders and the negative campaign like RunaMukta Bharat Abhiyan (RMBA) by a group of people from Dharmika Ekta Trust (Rourkela Centre), OSAFII together with Member MFIs visited Keonjhar district, had interactions with the Borrowers, Villagers and PRI Members regarding the above negative campaign, in which RMBA tried to persuade borrowers not to repay the loans as Govt would waive off that as it did for big industrialists. We also had meetings with some of the District Officials, informed them about the issue and requested to check such negative campaign in the district. The DSWO, DPC and LDM assured us to make an enquiry of the facts and take necessary steps. Prior to that we met the SLBC Convener, updated him on this negative campaign and advised the district administration to take strong action on the RMBA team. Also talked to the RMBA team members and persuaded them not to make such negative campaigns which would severely affect the credit flow to the clients. Follow-up with MFI Rep and Stakeholders in district confirmed the fact that such campaigns have been stopped in the areas.

OSAFII team also visited Kalahandi and Nuapada districts related to another ring leaders' issue and fraudulent activities there. Based on the complaint /FIR against the ringleader at Ekgaon Police Station, the police arrested her. Having a meeting with MFIs' team, we visited Ekgaon PS, met the Investigating Officer (DSP) and responded his queries/questions related to the case. Also explained him the loan disbursement & collection processes followed by MFIs and role played by OSAFII in the sector. As advised by him, we arranged the necessary loan

documents from MFIs and submitted that at his Office. Having agreed for committing such fraud the ringleader consented to refund the amount in a phased manner with the intervention of the police. Met the LDM & BPM of Nuapada, apprised them on microfinance operations in the district and solicited their inputs to expand WE-LEAD program there.

Together with the Representatives from Sa-Dhan and MFIs visited Hunda GP in Pandapadar areas in Keonjhar district related to Ring-Leader and fraud issues. Interacted with clients, MFIs, had meeting with the OIC & other key stakeholders. While meeting with the OIC, Pandapara police station we apprised her on the processes followed by MFIs while providing loans. The IC understood the situation and reason behind the false complaints by clients.



She also ascertained the action against the main accused. She also suggested to organise a meeting with clients and MFIs. It was understood that process lapses were noticed which on the part of the lenders which needed to be rectified. Later we met with the Lead district manager and district development manager and inform them about the presence of MFIs. Similarly, followed up clients 'suicidal issue in Puri district together with MFIN. Visited the village, had interactions with the family members and local people, met the MFIs and later on updated RD-RBI and Chief Secretary on the findings and observations. Also visited other sites of the incidences together with Sa-Dhan and updated to Director-Institutional Finance and SLBC. Also shared the updates along with suggestions with Member MFIs/Organizations.

Organizing Friendly Cricket Tournament (OPL) for Members:

With a view to enhance the sportive and interactive synergy among MF staff, mainly working in the field, Member MFIs in the MCM of Dec'2022 deliberated on and decided to organize a friendly cricket tournament in Feb'2023 (before the FI Conclave) for them. All Members were encouraged to nominate their teams for the match as soon as possible. The Mahashakti Foundation team kindly agreed to help OSAFII on this. Accordingly, the preparatory work were made, the Saheed Sporting Club Ground, was booked, and Players' Jerseys were made. It was decided to hold the matches for two days on 4th & 5th of February'2023. Specialized Umpires, Scorer, Commentators etc. were hired to conduct the matches in proper manners. Breakfast & Lunch were arranged for all the participants.

Altogether 13 Teams from: ANNAPURNA, AROHAN, BFIL, ESAF, FUSION, GUF SPL, MUTHOOT, SAMASTA, SAMPARK, SATIN, SEED CAPITAL, VEDIKA and ASIRVAD took part in the tournament. An Inaugural Ceremony took place and that was followed by matches between the MFI teams. The Teams were divided in groups and played to each other as per the schedules. A semi-final line was drawn up based on the last four winning teams. The final match was played between Muthoot Yudhas and Annapurna Lions in which Muthoot Yudhas came out as Winner. Trophies for the Winner and Runner-up teams were given away at the concluding ceremony.





OSAFII Premier League: Friendly Cricket Tournament among Member MFIs

Although held for first time, the OPL-cricket tournament was organized quite successfully. All the teams/players/staff enjoyed the matches very well and played with true spirit. OSAFII is thankful to all the Member Organizations for their kind cooperation and support in organizing OPL successfully. OSAFII is very grateful to the President & all the Board Members for their kind approval, guidance and support in conducting & making the event a success. Special thanks to the players/members of all 13 Teams for their spirit, sincerity & efforts made to travel to BBSR and play their matches so well-in a professional manner. Hearty Congratulations to Muthoot Yodhas for lifting the inaugural OPL Trophy as Winning Team. Many congratulations to Annapurna Lions who won the Runner-up Cup. Both the Teams played exceptionally well in the final and made the match very competitive. OSAFII also congratulates the Man of the Match-Bikash, Best Bowler-Sujit, both from Muthoot and Best Batter-Ashis from Annapurna Lions for their individual accomplishments. OSAFII is thankful to Saheed Sporting Club, the Umpires, Scorer, Commentators and others who extended their support to us for OPL. Last but not the least, many thanks to Sampark team-Debendra, Arjun, Arun and others who worked very hard and helped conduct the tournament very smoothly and successfully. Hopefully, we will have many more such sportive activities in future for our Members.

Organizing 4th Financial Inclusion Conclave:

As part of its sector building initiatives OSAFII organized its 4th State Level Financial Inclusion Conclave on 15th February'2023 at the Convention Centre of Hotel Mayfair, Bhubaneswar, Odisha. The main purpose of the program is to promote and strengthen effective coordination and synergy among all stakeholders for expanding financial inclusion collectively in the state of Odisha. The Conclave was attended by around 450 Delegates representing from Govt line Depts, SLBC, Banks, RRBs, SFBs, NBFC-MFIs, BCs, NGOs, CBOs, Cooperatives, SRO, Academic, Training & Research institutions etc. About 200 Women Leaders from various SHGs/JLGs too took part in the event. "Women Empowerment through Inclusive Finance & Digitalization" was the key theme of the Conclave.

Opening Session: Mr. Dibyajyoti Pattanaik, President-OSAFII presided over the meeting and welcomed to all the Guests and Delegates. He also invited the Dignitaries to the dais and then requested to join for lighting of the lamp. The Dignitaries present for the inaugural ceremony include Shri H.P. Singh, Chair-Sa-Dhan & MD-Satin, Dr. Subhransu Sekhar Acharya, CGM-SIDBI,

Shri Gautam Patra, Convenor-SLBC, Shri Jagadanad, Founder & Mentor-CYSD, Shri Chander Sekhar Sharma, CGM-SBI and Shri K. Paul Thomas, CMD-ESAF-SFB. The President thanked all the Dignitaries, Guests and Delegates for their kind participation in the Conclave. Sharing briefly about the microfinance sector in the Country/ State he informed that more than 70 RBI registered NBFCs, NBFC-MFIs, SFBs, Banks and other entities are providing financial services to more than 43 lakh women member from 30 districts in Odisha. He also appreciated the efforts made by each Member MFI/Organization to reach out the low income group of people in the state. Also highlighted the initiatives taken up by OSAFII for strengthening the inclusive finance sector and solicited support and cooperation from the stakeholders in the state.

Stating some of the key issues and challenges faced by the MF sector and MFIs, he solicited the cooperation of all key stakeholders to resolve that and expand further financial inclusion and entrepreneurships among the last miles. To familiarize with OSAFII, a video documentary on the association was shown. Prepared jointly by OSAFII & CRIF- Hi Mark Credit Bureau System, the Inclusive Finance Status Report-2023 was released during the conclave by the Dignitaries. Representative from Hi Mark also shared the key Points and Pointers in the report. The Dignitaries also released the 2nd Edition of the Compendium of Clients' Success Stories.

All the Dignitaries thanked the organized and addressed the gathering in the conclave. They shared their valuable insights mainly on financial inclusion, financial services, entrepreneurship development, women empowerment, digitalization etc. They also stressed on working collectively by all MFIs and other stakeholders in expanding financial inclusion and strengthening women entrepreneurships. While addressing the gathering they highlighted importance of access to financial services and also solicited the Government support in providing required skill and technology to the women entrepreneurs through various skill development institutions. They also touched upon the role of digital literacy and empowering the women in the community.



4th Financial Inclusion Conclave-2023

Inauguration of the Conclave



Women Delegates in the Conclave



Release of Inclusive Finance Status Report by the Guests

Shri H.P. Singh appreciated the efforts made by MFIs and other stakeholders in building/strengthening microfinance sector in India/Odisha. He stressed upon women empowerment and entrepreneurs, digitization and green energy and advised all MFIs and stakeholders to work together for that. Dr. Subhransu Sekhar Acharya emphasized to work collectively for the improvement of the poor-bottom of pyramids in the society, linking the informal (microfinance) lending with formal system, use of technology and helping women graduating from Microfinance to Micro Enterprises. Briefing on the WE-LEAD program, supported by SIDBI and implemented by OSAFII, he encouraged all MFIs to associate and help create 12K women entrepreneurs in the state. Shri Gautam Patra shared the updates on financial inclusion and financial literacy initiatives taken up by the Govt, Banks and other stakeholders. Also encouraged MFIs to work closely with Banks and Govt line departments for expanding further financial inclusion in the state

Shri Jagadanand spoke on various needs of an individual-basic needs, security and self-respect needs and thanked the MFIs and other stakeholders for helping SHG/JLG women members in to realize that in a gradual process. Reduction of poverty through micro credit and utilization of that for various business activities by women members would help facilitate this process to a great extent. Shri Chander Sekhar Sharma, thanked OSAFII for organizing the conclave and bringing all stakeholders involved in financial inclusion and lending activities together to such a common forum. Highlighting the extensive banking services of SBI, he assured the support of his bank for reaching out to the proposed Rs.34K crore mark of portfolio in Odisha in next 2-3 years. Shri K. Paul Thomas stressed the importance of state and national level associations of MFIs for strengthening the microfinance sector in the state/country. He advised the MFI community to support women members not only with credit but also with credit plus activities and work always in collaborations with relevant stakeholders including the Govt, Banks, BCs, NGOs etc to bring qualitative changes in the lives of women members.

Technical Sessions: In addition to the Inaugural Sessions there were also two technical sessions held during the day. Moderated by the Director-Grameen Foundation, India, the first session was held on *Empowering Women through Inclusive Financial Services & Entrepreneurships*. The 2nd session was on the subject- *Accelerating Digital Financial Inclusion for Greater Outreach & High Impacts*. It was moderated by the Associate Director, Sa-Dhan. Deliberations in two technical sessions were quite interactive. Panelists from SLBC/UCO Bank,

SBI, Airtel Payments Bank, MFI, DCB, Xavier University, KIIT, etc shared their valuable inputs. A few Women Members also shared their experiences in the house.

The event was sponsored partly by Airtel Payments Bank, Annapurna Finance Pvt Ltd, Satya Micro Capital Ltd. M-SWASTH, ASPIRE & INNOVATIVE, Aiqua-Health. OSAFII is thankful to all of them. So also the association is thankful to CRIF-High Mark for its support in preparing the IF Status Report. On behalf the association, Dr Alok Pattanayak, VP-BFIL gave the vote of thanks to all Dignitaries. So, Mr. Ashish Dash, Board Member-OSAFII thanked to the Delegates, Sponsors and Speakers and All others for their kind presence and support.

Organizing Recruitment/Placement Drive for Members MFIs:

As experienced, Member MFIs have been regularly looking forward to recruit Field Level Staff for their microfinance operations and business expansion. Through interactions with the HR Managers/Officers from Member MFIs it was understood that they spent lion's share of their time in recruiting staff for their respective branches. Retention of staff also was cited as one of the key challenges in the process. Most of them solicited OSAFII's support on this. With a view to extend helping hands for MFIs, OSAFII planned to facilitate the recruitment processes along with providing initial orientation for the new recruits. In addition to collecting CVs, OSAFII team also visited some training institutions run by various Foundations including ICICI, HDFC, Mahindra Tech, Aditya Birla & PIAs OSDA etc for this purpose. Also it was proposed to organize special Recruitment Drives, in collaborations with District level Employment Exchange Offices (DEOs). OSAFII got itself registered in National Career Services, Ministry of Labour & Employment, Govt of India which helped it to get information on various job fairs.



Mega Recruitment Drive



Receiving Offer Letters from DEO



Representatives from District Employment Office, OSAFII and MFIs at Recruitment Drive

As per the processes adopted, OSAFII conducts district-wise discussions with the concerned DEOs for recruitment drives, finalize the dates/venues and communicates that to Member MFIs operating in that district. Direct interactions between the registered candidates and MFIs' HR personnel take place on the scheduled date/time and venue. The Recruitment Drives are being held, both physically as well as virtually, in some cases. Having interviewed the candidates, the MFI Representative either recruit them on the spot or call them for the second round to their respective district/regional offices for further interaction & finalization. As of OSAFII has organized 21 such drives in 21 districts in which nearly 800 candidates took part. However, the success rate has not been that encouraging as about only 50 of such candidates are confirmed to be hired by the Member MFIs. The job description, working pattern and posting in other districts/locations, away from home town/block have been some of the challenging aspects in this regard for which many of the candidates felt reluctant to join. In spite of low success rate, a data base of about 800 registered candidates is prepared and made available to Member MFIs which they can also use later for their recruitment processes.

Planning & Implementation of WE-LEAD Program in Odisha:

Access to need based trainings on entrepreneurship, skill building and financial services can help substantially to promote, expand and sustain livelihoods opportunities for poor. In view of that, OSAFII has been implementing an enterprise and livelihood focused project "Women Entrepreneurship-Livelihood Enhancement And Development (WE-LEAD) program in Odisha. WE-LEAD is being approved and supported by SIDBI. Following that, SIDBI & OSAFII signed a 'Financial Support Agreement'. The overarching goal of the project is to 'Promoting 12,000 Women Entrepreneurs among SHGs/JLGs Members through Capacity Building-EDP/Skill Training & Business Development Services in Odisha'. Supported by SIDBI the project is being implemented by OSAFII together with its Member MFIs in 12 Districts including 10 Aspirational Districts of the state such as Kandhamal, Gajapati, Rayagada, Nawarangpur, Koraput, Malkangiri, Kalahandi, Nuapada, Bolangir, Dhenkanal, Khurdha and Puri, over a period of 24 months. The program was implemented in 6 out of 12 districts such as Kalahandi, Balangir, Kandhamal, Gajapati, Dhenkanal and Khurdha in the 1st year.



Signing of MoU between SIDBI and OSAFII for WE-LEAD

WE-LEAD has completed nearly one year of its duration. In line with the project design, OSAFII undertook various program activities. Over the last one year OSAFII has been able to provide Module-wise Entrepreneurship trainings to 8045 and trade/service specific skill trainings to about 6036 potential entrepreneurs. Out of which nearly 5000 of them have initiated their household enterprises. Mention may be made of a few business activities undertaken by women entrepreneurs include: Tailoring, Beauty Parlor, Ladies Corners, Spices Making, Grocery shop, Vegetable Vending, Achar, Papad, Incense Stick, Phenyl, Ujala, Dish Wash, Detergent Making, Bag & Floor Mat Making, Setting up Roaster Machines, Paper Plate Machines, Mushroom Cultivation, Poultry, Goatry etc.

Most of the trained women clients are currently looking forward to get business loans from the MFIs/Banks so that they can expand their existing enterprises or start a new one. In addition to helping them in developing enterprise-wise business plans the WE-LEAD team also facilitated credit linkages for them with Member MFIs and Banks, amounting to >38.00 Cr during the period. Of course they need handholding services for few more months to strengthen their businesses. As per the revised plan approved by SIDBI, the WE-LEAD program will be extended to another 12 Blocks/Branches in the same districts in 2nd year. OSAFII expects that additional Member MFIs will join the program. Below is given a brief progress update of the program,

**Brief Progress Update (Year-1) & Proposed Expansion Plan (Year-2) of
Women Entrepreneurship-Livelihood Enhancement And Development (WE-LEAD) Program**

| Sl No | Name of the District | Existing Blocks/ Branches | Existing Member MFIs Involved in WE-LEAD Prog (Year-1) | Women Members Already Trained (Year-1) on EDP & Skill Based Trainings | | Proposed/ New Target Group/Clients (Year-2) | | Proposed New Areas: Blocks/ Branches (Year-2) |
|--------------|----------------------|---------------------------|--|---|-------------------------|---|-------------------------|---|
| | | | | SHG/JLG Members | Potential Entrepreneurs | SHG/JLG Members | Potential Entrepreneurs | |
| 1 | Balangir | Balangir | SAMPARK | 675 | 661 | 650 | 500 | Loisingha |
| 2 | | Puintala | SATIN | 650 | 629 | 650 | 500 | Deogaon |
| 3 | Dhenkanal | Dhenkanal Sadar | AROHAN | 570 | 605 | 650 | 500 | Gondia |
| 4 | | Kamakshya nagar | GUFSP | 665 | 420 | 650 | 500 | Bhuban |
| 5 | Gajapati | Gosani | ANNAPURNA | 670 | 698 | 650 | 500 | Kashinagar |
| 6 | | Gumma | ANNAPURNA | 662 | 510 | 650 | 500 | Rayagada |
| 7 | Kalahandi | Bhabanipatna | MUTHOOT | 682 | 580 | 650 | 500 | Kesinga |
| 8 | | Junagarh | ASIRVAD | 671 | 514 | 650 | 500 | Narla |
| 9 | Kandhamal | Daringibadi | BFIL | 785 | 545 | 650 | 500 | Baliguda |
| 10 | | Raikia | ADHIKAR | 550 | 227 | 650 | 500 | G.Udayagiri |
| 11 | Khurda | Khurda | ANNAPURNA / UNITY-SFB | 650 | 522 | 650 | 500 | Jatni |
| 12 | | Tangi | ANNAPURNA | 815 | 125 | 650 | 500 | Chilika |
| Total | 06 | 12 | 10 | 8045 | 6036 | 7800 | 6000 | 12 |

[Note: The Total Budget of the WE-LEAD Project for Two Years is: Rs.150 Lakh. Out of that SIDBI is funding up to 80% of the project cost (Rs.120 lakh) and ask /advise OSAFII & Its Member MFIs to contribute 20% of the project cost (Rs.30.00 lakh). In view of that, OSAFII encourages its Member MFIs not only to join WE-LEAD program and help implement it in their respective Branches and MF Clients but also kindly contribute about Rs.2.00 lakh towards that. Last year Member MFIs contributed about Rs.14.00 for it. The designated Project Staff for the Block/Branch: EDP Promoter will work full time and undertake most of the planned activities including EDP & Skill Trainings in coordination with the MFI Branch Staff. As experienced last year, the implementation of the project does not put any additional burden for the Branch Staff]

WE-LEAD Activities



Staff Planning and Review Meeting



Staff Orientation Program



EDP Module Training



EDP Skill Training



New Enterprise Started



Buyers-Sellers Meet Program

Partnership with Learnet for SWAKALPA Project:

OSAFII has recently entered into a partnership with Learnet for the project SWAKALPA project, supported by Govt of Odisha mainly to promote Entrepreneurs in the state. One of the key objectives of the project is imparting Self-Employment Training & Entrepreneurship skill development program by the Odisha Skill Development Project (OSDP) that aims to train 10,000 Youth and set up at least 1,000 micro-businesses across the state in two years with a 25% representation of women at all stages from training to entrepreneurship.

SWAKALPA, under the supervision of the World Skill Centre(WSC) and Odisha Skill Development Authority (OSDA), entails 100 hours of entrepreneurship training for previously trained Odisha-domiciled youth including women and disadvantaged groups. Beneficiaries would also receive (24 weeks) of mentoring to set up enterprises. SWAKALPA is being implemented for two years from 2023 onwards and includes priority sectors such as fabrications, electricians, handlooms, food processing, beauty etc. SWAKALPA is led by Palladium Consulting India Private Limited, along with its partners. As per the partnership OSAFII will identify potential entrepreneurs including from among the SHG/JLG Members and facilitate EDP trainings, credit linkage and mentoring support for them. Initially OSAFII has started its activities in Cuttack and Bhubaneswar and later on shift to the WE-LEAD project areas.



Collaboration with Learnet for Swakalpa Project

Inclusion of New Members with OSAFII:

As a member based organization, OSAFII has been making concerted efforts to include new members into its fold. OSAFII sent Invitations to nearly 15 institutions, operating in Odisha, to join the association. However, out of that only five of them including Belstar Microfinance Pvt Ltd, Vector Finance Pvt Ltd, VFS Credit Capital Ltd, Midland Microfin Ltd and Caspor Micro Credit have joined the association. With our regular contacts and persuasions others will also join in the near future. Two existing Members discontinued and did not renew their Memberships. Efforts are still going on to include additional organizations operating in Odisha. As an association OSAFII supports these institutions with services that improve their institutional capacity and performance. The contributions from member organizations have been very helpful to meet the administrative requirements of OSAFII and run the association in an effective manner.

Relief Measures undertaken by OSAFII Members for the Affected People of Bahanaga Train Accident:

It was very encouraging to see that quite a number of Member MFIs came forward to plan and provide relief materials for the victims of the tragic railway accident that took place on 2nd June'2023 at Bahanaga station of Balesore district in Odisha. OSAFII consulted with the District/Block Administrations, planned with MFIs, joined them to visit accident sites, relief camps, hospitals etc. and help distribute food materials among them. Also coordinated with SLBC, SBI and other Banks for facilitating encashment of the cheques/drawing cash by the kith & kins of the injured people-treated at various hospitals, mainly at SCB, Medical, Cuttack.



Relief Distribution by FUSION Team



Relief Work of Credit Access Grameen Team



Relief Work by AROHAN Team



Participation of CEO-OSAFII with MFI Teams

OSAFII envisages to contribute meaningfully and support the poor in the domains of financial inclusion and livelihood promotion in the state. OSAFII together with other stakeholder will continue to work for the social and economic empowerment of women in the state. Through coordination and networking with various stakeholders, both at the state and district levels, OSAFII will try to strengthen further its relations with all relevant stakeholders and supplement their efforts in achieving sustainable development for the people. While continue with the on-going WE-LEAD program, OSAFII together with its Member MFIs/Organizations will make sincere efforts to promote and strengthen women entrepreneurs and help them graduate from MF to ME and contribute to the Govt Initiative on SHG to SME in the coming years. OSAFII seeks collaborations and partnerships with various institutions, support organizations, donors etc to achieve that.

List of OSAFII Members in Odisha

| SN | Name of Member Organization | Legal Entity | Location / Coordination Office |
|-----------|---|------------------------------------|---------------------------------------|
| 01 | Annapurna Finance Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 02 | Adhikar Microfinance Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 03 | Arohan Financial Services Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 04 | ASA International India Microfinance Ltd | NBFC-MFI | Balesore, Odisha |
| 05 | Asirvad Microfinance Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 06 | Bharat Financial Inclusion Ltd | A 100% Subsidiary to IndusInd Bank | Bhubaneswar, Odisha |
| 07 | Credit Access Grameen Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 08 | ESAF-Small Finance Bank | SFB | Bhubaneswar, Odisha |
| 09 | Fusion Microfinance Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 10 | Glowmore Finance (P) Ltd | NBFC | Berhampur, Odisha |
| 11 | GU Financial Service Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 12 | IIFL Samasta Finance Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 13 | Janakalyan Financial Services Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 14 | Muthoot Microfin Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 15 | Nimbus Consulting Pvt Ltd | Ltd Company | New Delhi/BBSR, Odisha |
| 16 | Sampark Fin Services Pvt Ltd | NBFC | Bhubaneswar, Odisha |
| 17 | Satin Creditcare Network Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 18 | Sabrimala Fintek Pvt Ltd | NBFC | Bhubaneswar, Odisha |
| 19 | Spandana Sphoorty Financial Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 20 | UNITY Small Finance Bank Ltd | SFB | Bhubaneswar, Odisha |
| 21 | Uttrayan Financial Services Pvt Ltd | NBFC-MFI | Khurdha, Odisha |
| 22 | Vedika Credit Capital Ltd. | NBFC-MFI | Bhubaneswar, Odisha |
| 23 | VFS Credit Capaital Ltd | NBFC-MFI | Balesore, Odisha |
| 24 | Vector Finance Pvt Ltd | NBFC-MFI | Bhubaneswar, Odisha |
| 25 | Belstar Microfinance Pvt Ltd | NBFC-MFI | Sambalpur, Odisha |
| 26 | Midland Microfin Ltd | NBFC-MFI | Bhubaneswar |
| 27 | Cashpor Micro Credit | Section-8 Co | Deogarh, Odisha |
| 28 | Samunnati Fin Intermediate Services Pvt Ltd | NBFC | Bhubaneswar, Odisha |

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