



# ASIRVAD

## CONNECT

THE VOICE OF ASIRVAD

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### Message from MD



It gives me great pleasure to connect with you all after the most rewarding and successful year (2018-19) in Asirvad since inception. The company

firmly bounced back from the pits of demonization and bound it with great aplomb. The company crossed disbursement of over 4000 cores and also achieved the long-cherished objectives of disbursing over 500 crores in a single month. Heartiest congratulations to all of you. We all did this together.

The Company has overhauled the incentive structure to the field personnel and now has the best in class scheme in the industry. Focus is being given to the renewal of existing customers who form the backbone of Asirvad. While we plan to add around 160 branches this financial Year 2019-20, we would like the existing branches to also concentrate on increasing the center size to a minimum of 10, to start with. Collection efficiency is the key to the success of this business and this message should be loud and clear to the field. The new incentive structure address this well. If the staff work to their full potential, the incentive will more than multiply as per this system.

Our team in Orissa acted both productively as well as responded swiftly during the cyclone "Fani" as we had done earlier in Kerala during floods and "GAJA" cyclone in Tamil Nadu. We now have a disaster (Calamity) recovery process approval by Board to enable us to take quick decision in the form of relief and rescheduling payments by borrowers.

We are taking many more new initiatives in our automation drive. This will be implemented in the next few months. Asirvad always has a pride of place as with regards automation in the Microfinance Industry. We would continue to march towards making our system and processes more employee-friendly and at the same time enhancing customer (Borrower) satisfaction. I would request all of you to embrace the initiative though this could result in initial hiccups and some delay.

With an AUM of over 4000 crores, Asirvad today is the 5th largest MFI in India. I have no doubt in my mind that with all your support and the strong backing of Manappuram we will reach the top position in the years to come. Asirvad will continue to place the welfare of its borrowers ahead of everything else as we are committed to the social objective of this business.

Let us pledge to make 2019 -20 an even better year in all aspects of the business. Best Wishes!

### Highlights of the quarter

- Asirvad crosses 4000 cr AUM on 29 May 2019
- Karnataka state portfolio reaches 400 crs in 4 years' span with customer base of 1.78 lakh
- Asirvad Customer App was unveiled by Managing Director Raja Vaidyanathan at Kolkata on 24 Jun 2019

## Organizational Updates

### Operations

- ❖ As a part of 'Go Green' initiative pilot batches at designated branches are trained on digital on-boarding process. This digital on-boarding process will be implemented across all branches during the coming year in a phased manner.
- ❖ Based on RBI Master Direction Asirvad now accepts only the Officially Valid Documents (OVD) like Passport, Driving License, Voters ID etc as KYC documents from customers.
- ❖ A new loan product called 'Mid-term loan' was launched for our existing customers, last quarter. This was introduced with a key objective to benefit customer's on-going income generating activity by aiding them with smooth capital flow.
- ❖ With effective from 1 April 2019, Interest rate has been reduced from 21.90% to 21.70% on reducing balance basis

### Finance

#### LENDERS MEET April' 2019

Asirvad organised Lenders Meeting in April 2019. The event provided a platform to interact with lenders and inform them about the organization's result and the change of controls that we had brought in business operations with the approach of new technologies. An elaborate insight of cumulative year-end estimation was also briefed to the lenders.

The event saw about 60 lenders across different institution operating in Finance sectors like Public Bankers, Private Bankers, Foreign Bankers, NBFC institutions and Mutual fund house. Our Managing Director, Raja Vaidyanathan addressed the gathering on various milestones achieved during the financial

year 2018-2019, business insights and challenges that may hinder the business in the forthcoming years.

Chief Financial Officer, Mayank Thatte briefed the lenders about the fund sourcing for the upcoming year, sources of procurement, mixed procurement ratio and current financial position of the organization. Solutions to meet the financial goals were also discussed during the meeting. Other CxOs presented various business and technology upgrades implemented in the operations.

Subsequently, an interactive Q&A session was conducted to address all queries. The meeting closed with lunch followed by a thank you note.



## Organization Updates

### Human Resource

**DRIVE 2019** (Division managers Reawakening session for Innovation, Vision and Excellence) was conducted from 27 to 31 May at Leonia Holistic Resorts, Hyderabad. Seventy-eight Divisional Managers from across India participated in this event. The key objective of the DRIVE was to educate and emphasise the Vision of Asirvad, to adopt values and to support ideas from different functionaries.

The DRIVE was conducted in two batches. On 29 May 2019, a common session for both batches was led by S V Raja Vaidyanathan - Managing Director, V P Nandakumar - Chairman, Gautham Sehgal - Director and the Leadership team. Training booklets and HR handouts were distributed to all the DMs.





Make Life Easy



## World Bank to invest \$35 million in Manappuram Finance

International Finance Corporation (IFC), a member company of the World Bank group, will invest \$35 million in Manappuram Finance in a bid to tap the Indian gold loan market in their first such foray.

“We are making our first investment in a gold-loan finance company to create opportunities for the rural and poor households to transition from informal to formal forms of credit,” said Jun Zhang, IFC Country Head for India.

“Through this investment, we are supporting one of the priorities of the Indian government to unlock the value of idle gold and bring a large part of India’s unofficial savings into the formal financial system.”

This three-year, senior, secured loan from IFC to MFL is an endorsement of the critical role gold-loan NBFCs play in bringing first-time customers into the formal economy. IFC may also provide

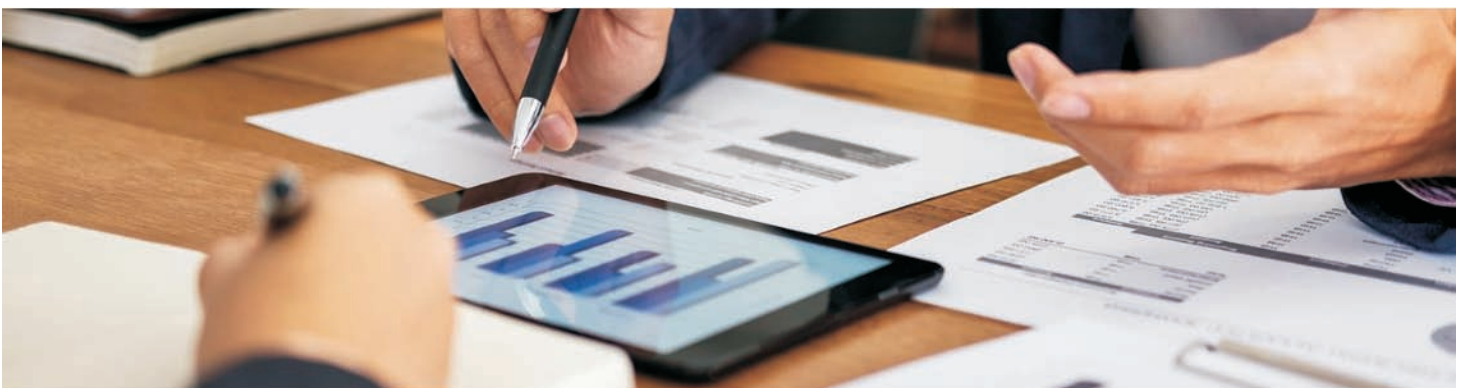
advisory services to bring global best practices to MFL’s risk management systems and help it build capacity in MSME lending.

“IFC’s investment will help us deepen our reach in rural and semi-urban areas to offer people a viable alternative to informal credit,” said V.P. Nandakumar, MD & CEO of Manappuram Finance.

According to the World Gold Council, India has 23,000 tons of gold with an estimated market value of \$1 trillion. However, banks and NBFCs have a gold loan market size of just \$19.6 billion, which leaves the field open to pawn-brokers and usurious money lenders in rural areas.



*Creating Markets, Creating Opportunities*



## My Journey at Asirvad

### Meet Mr. Arun



#### Designation

Asst. Vice President

#### Division

Palakkad District

Kerala

#### Birthday

18th April

#### Hobbies

travelling and

Playing Cricket

He started his career in the microfinance industry and has close to 14 years of experience. Arun joined Asirvad as a Divisional Manager at Palakkad division in 2014. After the successful operations in Tamil Nadu, Asirvad ventured into Kerala and opened its first branch in Palakkad. "I was the first person to be appointed as the DM in this branch. I joined the organization in July 2014 and the following month, I was married. I still remember the first loan disbursement date - It was 23 August, three days ahead of my wedding day" he recollects.

In five years, Arun had received two promotions. In 2016, he was promoted as a Zonal Manager and in 2019, he was promoted as AVP. The freedom to express his ideas to the management team and opportunity to collaborate with other departments are one of the many things he enjoys at Asirvad. He said "In the beginning, we were mirroring the business operations model that was implemented in Tamil Nadu. I was skeptical if the same method would work here in Kerala. But after seeing the response from our customers I was more than glad to be a part of this organization. Our MD Raja sir encouraged me to lead the team and I was given decision-making authority. I had received huge support from the Management team from Tamil Nadu".

Kerala shares close to 8% portfolio of Asirvad. Despite the demonetization crisis and flood issue, the state has seen steady growth in the business. Arun said "I believe that four years is the maximum time frame a person can sustain in any organization; to learn and to give. But here, the opportunities are vast and every day is new learning for me. I have come across fraudulent cases and I had dealt with utmost care. The Management here is very supportive in my decisions and this gives me confidence at work." Lastly, he added "I would like to thank Mr. Gopinath Iyer, my first reporting manager, for being an exceptional mentor and I would like to express my gratitude to our MD for his support."

On the flip side, Arun enjoys travelling and playing cricket. He likes to explore temples and the culture of Tamil Nadu. Arun is married and father of two children. One is four-years-old and another is just four months old – both girls.

## Customer Speaks



Salsabila is one of Asirvad's customer from Palakkad division, Kerala. She is been our customer since 2016. She had taken two IGP loans of ₹25000 and ₹40000 successively and repaid the first loan without missing any dues. We spoke with her to find out how Asirvad had improved her financial situation. "I had completed Tailoring course and always wanted to start my very own Tailoring shop but I was unable to afford due to my poor financial situation. My neighbour, who was working next to Asirvad branch office, told me about the loan that you offer for women with financial needs. I sought help from the division to borrow ₹25000 to start my own shop" she said.

Salsabila availed her first loan to buy a sewing machine and started stitching clothes at home. She said "With my first loan I bought a sewing machine and other sewing kit. Then I started 'SAS Ladies Tailoring', a shop exclusively for women. I had been successfully running this business for the last two years and I was planning to expand therefore I applied for my second loan. The second loan is ₹40,000 and it was sanctioned immediately. I am paying my current loan on regular basis".



With four children, Salsabila lives with her husband and father-in-law. She pays for her children's education using the profit from the shop.

*"The best part of being Asirvad customer is - the loan process is quicker here and the staffs are extremely helpful. They address all our queries and give a detailed explanation in layman terms so every member in the group understands better."* -**Salsabila**, Asirvad customer, Kerela.

## Rewards & Recognitions



### CENTRAL DIVISION

#### Rajasthan

9110-Nohar

#### Maharashtra

6506-Ichalkaranji

#### Madya Pradesh

2517 -Mahidpur

3805 -Rajghar

3000 -Bhopal

2507 -Nagda

#### Chhattisgarh

3102-Akaltara

#### Odisha

8917 -Padampur

9608 -Sindhekela

### EAST

#### Jharkhand

3401 -Barhi

3402 -Koderma

3404 -Giridih

#### Tripura

7800 -Agartala

#### West Bengal

5702 -Tufanganj

5703 -Dinhata

6106 -Beliaghata

4011 -Belda

### NORTH

#### Uttar Pradesh

2909-Obra

0035 -Gorakhpur

0062 -Meerut

6201 -

Muzaffarnagar

6304 -Nagal

### NORTH

#### Bihar

7613-Maheshkhunt

7620-Narayanpur

4314-Sitamarhi

7606-Madhepura

#### Punjab

2804 -Landran

5502 -Kapurthala

5503 -Beas

#### SOUTH Kerala

1601 -Ottapalam

### SOUTH

#### Tamil Nadu

1132 -Karaikudi

1135 -Kovilpatti

1302 -Trichy

1312 -Sirkali

1321 -Sembanar kovil

1323 -Nannilam

## Events

### Summer Fiesta

In June, employees from Corporate office visited Chariot Beach Resort, Mahabalipuram. It was a fun filled team outing with lot of employee engagement activities.



### CSR: Cyclone FANI

Cyclone Fani brought strong winds and torrential rains and caused severe damage in the State of Odisha during the first week of May. As an immediate response to the affected victims, Asirvad employees distributed 3500 relief material bags. The relief bag consisted of the basic needs such as First-aid kit, non-perishable foods, candles and other sanitary essentials.



Apart from the relief material distribution, Asirvad has also contributed a sum of Three Lakhs Rupee to the Chief Minister's Relief Fund. As a humble gesture, we received a Letter of Appreciation from the Chief Minister of Odisha.



## Safety & Awareness

### NEED A GOOD REASON TO WEAR HELMET?

**45%**  
REDUCED RISK OF  
HEAD INJURY

**33%**  
REDUCED RISK OF  
BRAIN INJURY

**29%**  
REDUCED RISK OF  
FATAL INJURY



- ❖ Every year in India, 5000 two-wheelers die due to not wearing helmet
- ❖ 4 out of 10 motorcyclists can be saved from crashes if they wear a helmet.
- ❖ Wearing helmet helps riders to avoid injuries by 69 percent.

**WEAR HELMET and BE SAFE**