



SMERA
Code of Conduct
Assessment

C1

*(Excellent performance of
the MFI on Code of
Conduct dimensions)*

SMERA Code of Conduct Assessment

Svasti Microfinance Private Limited



To verify the grading, please scan the QR Code

Date of Report:

31th October, 2023

Valid Till:

29th October, 2024

SMERA's Code of Conduct Assessment Grading Scale

Grading Scale	Definitions
C1	Excellent performance of the MFI on Code of Conduct dimensions
C2	Good performance of the MFI on Code of Conduct dimensions
C3	Average performance of the MFI on Code of Conduct dimensions
C4	weak performance of the MFI on Code of Conduct dimensions
C5	Weakest performance of the MFI on Code of Conduct dimensions

*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

SMERA (including its holding company and wholly owned subsidiaries) has not been involved in any assignment of advisory nature for a period of 12 months preceding the date of the comprehensive grading. None of the employees or the Board members of the SMERA have been a member of the Board of Directors of the MFI for a period of 12 months preceding the date of the comprehensive grading.

Disclaimer

SMERA's Ratings / Gradings / Due Diligence and other credit assessment related services do not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a buyer's or lender's independent assessment. Rating / Grading / Due Diligence are based on the information provided by the rated entity and obtained by SMERA from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true and correct, SMERA makes no representation or warranty, expressed or implied with respect to the accuracy, adequacy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability, whatsoever, for any direct, indirect or consequential loss of any kind arising from the use of its Ratings / Gradings / Assessments.

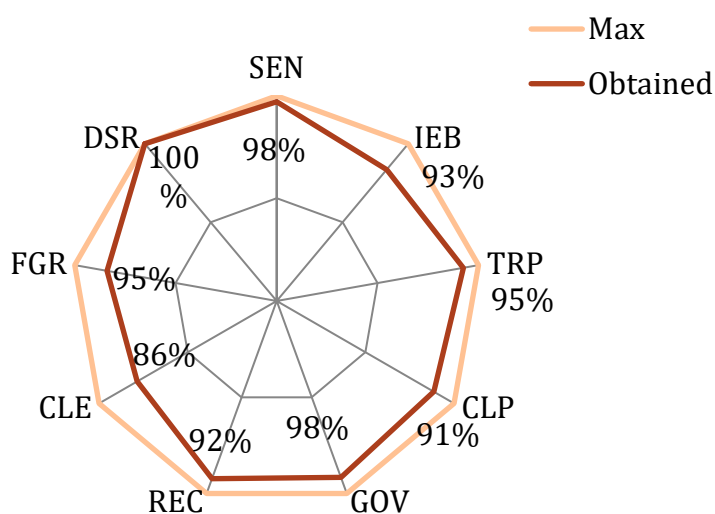
Historical Rating Grades

Date	Rating Agency	Rating/Grading
26-June-2023	Acuité Ratings & Research	BBB+
22-Mar-2023	CARE Ratings	BBB
28-July-2022	SMERA	M1
28-July-2022	SMERA	C1
June-2021	SMERA	M1
June-2021	SMERA	C1
16-Mar-2022	CARE	BBB/Stable
04-Mar-2022	Acuite Ratings & Research	BBB+/Stable

Code of Conduct Assessment Score

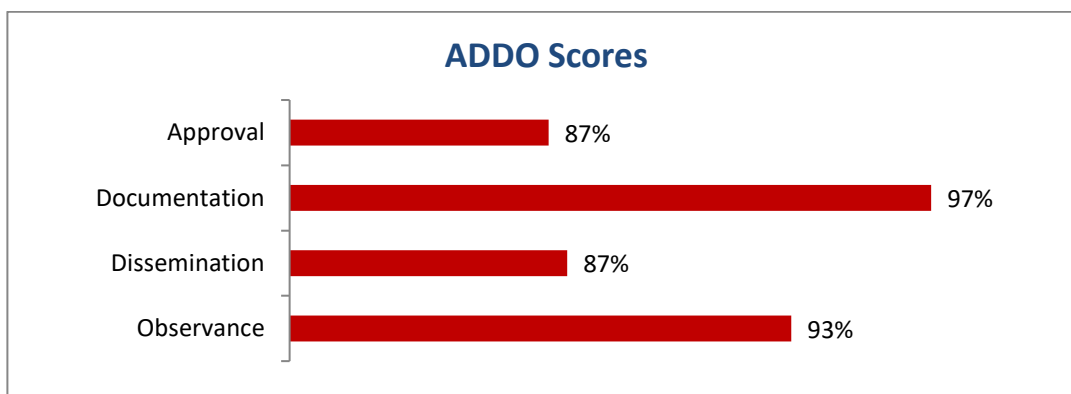
COCA Grading - C1 (Excellent Performance on Code of Conduct dimensions)

COCA Dimension Scores



SCORES ON PARAMETERS

Code of Conduct Parameters	Code	% Performance
Sensitive	SEN	98%
Integrity and Ethical Behavior	IEB	93%
Transparency	TRP	95%
Client Protection	CLP	95%
Governance	GOV	98%
Recruitment	REC	92%
Client Education	CLE	86%
Feedback & Grievance Redressal	FGR	95%
Data Sharing	DSR	100%



SMPL with an overall grade of “C1” indicate **Excellent Performance on Code of Conduct dimensions.**

Code of Conduct Assessment Summary

The Code of Conduct report for Svasti Microfinance Private Limited (SMPL) evaluates the entity's adherence to various code of conduct parameters. The study examines and comments upon the common minimum indicators such as:

- Sensitive Indicators
- Integrity and Ethical Behaviour
- Transparency
- Client Protection
- Governance
- Recruitment
- Client Education
- Feedback and Grievance Redressal
- Data Sharing

SMERA believes that SMPL exhibits **excellent** performance on COCA dimensions. This document details SMERA's approach and methodology for this study and gives observations of its assessment team while conducting the evaluation. The Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring SMPL's adherence towards ethical operational practices.

Company Profile

Name of the MFI	:	Svasti Microfinance Private Limited	
Operational Head – Microfinance Business	:	Name	Mr. Bhagavathi Subramaniam Narayanan
	:	Designation	Promoter and Whole time Director
	:	Mobile No.	9840099120
	:	Email ID	narayanan@svasti.in
	:	Date of Joining	15 th March,2010
Date of Incorporation/Establishment	:	23 rd February,1995	
Date of commencement of microfinance business	:	01 st October, 2010	
Legal Status	:	NBFC-MFI	
Business of the company	:	Microfinance lending to Joint Liability Groups (JLG) Model	
Correspondence Address	:	6 th First Floor, First Street, Tiger Varadachari Road, Kalakshetra Colony, Besant Nagar, Chennai -600090, Tamil Nadu, India	
	:	No. of States	8
	:	No. of Districts	92
Geographical Reach (As on 30/Jun/2023)	:	No. of Branches	140
	:	No. of Active Borrowers	4,02,780
	:	No. of Total Employees	1,858
	:	No. of Field/Credit Officers	1,160
No. of Lenders	:	44 lenders (including Banks and institutional lenders)	
Statutory Auditors	:	V Narayanan & Co.	

Product Profile

Products	Description	Loan Size (Rs)	Interest Rate (A) (In %)	Processing Fee (B) (In %)	APR (Interest Rate and Processing fees) (In %) (C=A+B)
Income Generating Loan	JLG Loan	30,000 – 1,10,000	26.50	1.50	28.00
LAP Loans/Business Loan	Individual Loan	2,00,000 – 10,00,000	24.00	2.00	26.00

Capital Structure as of 30/June/2023

Authorized Capital	Rs. 6.23 crore
Paid Up Capital	Rs. 4.83 crore

Shareholding Pattern (as on 30/June/2023)

Equity Shares	
Shareholders	% Holding
Promoters	11.98
Nordic Microfinance Initiative Fund III KS	31.29
Poonawala Group	24.96
Other Corporate	2.35
Other HUF/Individuals/LLP	29.42
Total	100.00

Board of Director's/Promoter's Profile

Director Details		Profile
Name:	Mr. P. Arunkumar	He has more than six years of experience at ICICI Bank as legal advisor to the corporate banking, project finance, structured finance, private banking and treasury operations. He was part of the core strategic team that planned and executed the bank's foray into international markets.
Designation:	Promoter and Whole time Director, CEO	
Qualification:	B. Sc. ,LLB	
Name:	Mr. Bhagavathi Subramaniam Narayanan	As an auditor, he has been involved in conducting central audits of Oriental Bank of Commerce and Andhra Bank. As a banking technology consultant he has been involved in projects for providing technology solutions to banking operations of ICICI Bank, ING Vysya Bank and Lord Krishna Bank. He also was a key member of the startup team of myTiger.com, a business intelligence venture, where his contribution lay primarily in heading the technology team.
Designation:	Promoter and Whole time Director, CFO, CIO	
Qualification:	B.Com, FCA, CISA	
Name:	Mr. Manathattai Narayanan Venkatesan	Mr. Venkatesan is a Chartered Accountant and Senior Partner, Mr. Narain & Co., Chartered Accountants, Chennai, a 57 year old firm. He has been in charge of RBI appointed central statutory audits of Andhra Bank, Oriental Bank of Commerce, State Bank of Mysore, Corporation Bank and The Lord Krishna Bank Limited. Presently, he is the central statutory auditor of Allahabad Bank. He was the Director of Indian Overseas Bank from December 2002 to December 2008.
Designation:	Independent Director	
Qualification:	B.Com, FCA	
Name:	Ms. Jagriti Bhandari	With over 3 years of experience in PE, M&A and Strategic Consulting projects, she has worked across transaction origination, execution and relationship management. Prior to joining NMI, she was a part of the Investment Banking team at ValPro with a focus on PE and M&A transactions across sectors. She also managed their private
Designation:	Nominee Director	
Qualification:	B. Tech and MBA	

		investment portfolio of early stage start-ups. Previously, she worked with TresVista, Mumbai. Ms. Bhandari holds a MBA degree (finance major) from NMIMS, Mumbai and B.Tech in Information Technology. She also holds a certification in Social Impact Analysis from Acumen.
Name:	Mr. Ramanathan Annamalai	He has headed the financial inclusion department of NABARD and has been associated with it for almost 10 years. He currently holds directorships in various MFIs including Village Financial Services, Hindustan Microfinance and Asirvad Microfinance.
Designation:	Independent Director	
Qualification:	B.A (Economics), MBA	

SMERA Observations:

- SMPL has five-member board. Board members have adequate experience in microfinance, Banking and development sectors.
- SMERA believes that a well-diversified board, including a proportionate composition of independent directors, augurs well from a strategic perspective.

Management Profile

Management Details	Designation	Profile
Name:	Mr. P. Arunkumar	He has more than six years of experience at ICICI Bank as legal advisor to the corporate banking, project finance, structured finance, private banking and treasury operations. He was part of the core strategic team that planned and executed the bank's foray into international markets.
Designation:	Promoter and Whole time Director, CEO	
Qualification:	B. Sc. ,LLB	
Name:	Mr. Bhagavathi Subramaniam Narayanan	As an auditor, he has been involved in conducting central audits of Oriental Bank of Commerce and Andhra Bank. As a banking technology consultant he has been involved in projects for providing technology solutions to banking operations of ICICI Bank, ING Vysya Bank and Lord Krishna Bank. He also was a key member of the startup team of myTiger.com, a business intelligence venture, where his contribution lay primarily in heading the technology team.
Designation:	Promoter and Whole time Director, CFO, CIO	
Qualification:	B.Com, FCA, CISA	
Name:	Mr. Sojanya Bum	He has more than 12 years of experience in the audit and accounting areas. Prior to joining the Company, he was a part of IDFC FIRST Bank for around five years and with HDFC Bank for a similar tenure prior to that. His experience includes working on Indian GAAP, Ind-AS and US GAAP accounting principles. He has also been associated with Price Waterhouse Coopers where he was involved in the audit of financial sector including Goldman Sachs and Franklin Templeton group.
Designation:	Head-Finance and Accounts	
Qualification:	CA	
Name:	Mr. Ravikumar Nagaram	He has 18 years of experience in the microfinance business sector. Prior to joining SMPL, he has worked with Spandana Sphoorthy Microfinance Private Limited.
Designation:	Business Head, JLG Business	
Qualification:	B.Com	
Name:	Mr. Peeyush Dubey	

Designation:	Business Head, Loan Against Property (LAP)	He has around 9 years of experience in microfinance sector. Prior to joining SMPL he has worked with NEED Microfinance Pvt. Ltd.
Qualification:	B.Sc. (Agriculture) and MBA (Rural Management)	
Name:	Mr. Sudhakar Seetha	He has an overall experience of 16 years in microfinance sector. Prior to joining SMPL, he worked with Share Microfinance.
Designation:	Business Head, Services Business	
Qualification:	B.A	
Name:	Mr. Nitesh Kumar Sinha	He has an overall experience of 12 years in microfinance sector. Prior to joining SMPL he has worked with NEED Microfinance, Ujjivan SFB and BASIX.
Designation:	Head- Operations Risk Management	
Qualification:	B.Com. and MBA (Rural Management)	
Name:	Mr. Narayan Bhaskar	He has overall experience of 18 years in Human Resource, Administration and Legal Department. Prior to joining SMPL he has worked with ICICI Bank and Pangea3.
Designation:	Head – HR and Admin	
Qualification:	B.Com, Post-Graduation, Diploma in HRD, LLB, LLM	

SMERA Observations:

- SMPL's senior management has adequate experience across sectors such as Microfinance, Banking, finance, HR and IT.
- A majority of the senior management members have been associated with it for long tenure and have risen from ranks.
- SMPL has dedicated department wise / function wise heads and no major functional overlaps have been observed.

Compliance with RBI's Directives for MFIs

RBI's Direction	SMPL's Status	Compliance
75% of total assets to be in the nature of qualifying assets	Qualifying assets forms 76.88% of total assets as on 30/June/2023.	Complied
Net worth to be in excess of Rs 5 Crore	Net owned fund of SMPL stood at 189.03 Crore as on 30/June/2023.	Complied
MFIs will have to ensure compliance with relating to as a collateral-free loan Given to a household having annual household income up to ₹3,00,000.	SMPL check and took a declaration from borrowers for the total household income in their membership form and the total indebttness may check from credit information bureau and also in their meetings with Customers.	Complied
Each RE shall have a board-approved policy regarding the limit on the outflows on account of repayment of monthly loan obligations of a household as a percentage of the monthly household income. This shall be subject to a limit of maximum 50 per cent of the monthly household income.	SMPL conducts credit check on the loans outstanding through credit bureaus and follow same guideline prescribed by the RBI.	Complied
Pricing guidelines are to be followed	Loans are provided at a range of 24.00% - 26.50% on reducing balance basis based on the board approved policy.	Complied
Transparency in interest rates to be maintained	Interest, Processing fees and insurance premium charged are duly mentioned in the loan card provided to the client.	Complied
Not more than two MFIs lend to the same client	SMPL verifies the same though credit check from credit bureaus.	Complied

RBI's Direction	SMPL's Status	Compliance
RBI has relaxed the pricing norms for NBFC-MFIs and Provides each MFI should place a board-Approved policy regarding pricing of microfinance loans.	SMPL is charging processing fee of 1.50% (excluding GST) on the disbursed loan amount plus applicable GST as per board approved policy.	Complied
Collateral free loans	SMPL does not accept any Collateral for extending the credit.	Complied
MFIs shall not collect any Security Deposit / Margin from the borrower.	SMPL does not collect any security deposit / margin from the borrower.	Complied
No late payment or prepayment penalties	SMPL does not take late payment or prepayment penalties from the clients.	Complied
Share complete client data with at least one Credit Information Company (CIC) established under the CIC Regulation Act 2005, as per the frequency of data submission prescribed by the CIC.	SMPL shares its client data with CRIF Highmark, Equifax, Experian and CIBIL.	Complied
Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs	SMPL provides more than 50% of total loans for income generation activities as on 30/June/2023.	Complied
NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which shall not be less than 15 percent of its aggregate risk weighted assets.	CRAR of SMPL stood at 23.13% as on 30/June/2023 which complies with the minimum CRAR requirement of 15% for NBFC-MFIs as prescribed by RBI. SMPL does not have any exposure in Andhra Pradesh.	Complied
The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more'.	The statutory auditor has certified the appropriate provisions have been made.	Complied

Strengths and weaknesses pertaining to Code of Conduct

Strengths	Weaknesses
<ul style="list-style-type: none"> • Board with rich experience from Microfinance and finance background. • SMPL has one-third of its board members as Independent directors. • Transparency in loan pricing and policies. • Adequate software based MIS to handle current scale of operations. • Compulsory training on products terms and conditions to client prior to every loan. • Board approved policies, compliant with the RBI guidelines. • Code of Conduct framed as per the SMPL's mission, vision, values and displayed in all branch offices & HO. • Membership with MFIN. • Credit policies are well established documented and communicated. • Adequate loan appraisal & monitoring systems. • A specialized Credit Manager conducts rigorous assessment for loans exceeding Rs 30,000. • Awareness among the staff on RBI compliance was found to be moderate to high. • Financial and operational data for FY 2023 is available on the website of SMPL. • Displays the details of the loan products including their interest rates and client grievance redressal system on its website. • Data sharing with credit bureau (Equifax, CIBIL, Experian and High Mark). 	<ul style="list-style-type: none"> • Insurance Claim settlement process has taken longer than the standard time in some of the assessed branches.

Significant Observations

HIGHER ORDER INDICATORS	
Integrity and Ethical Behaviour	<ul style="list-style-type: none"> • The MFI does have the policy to place reports on COC compliance before the board at the end of every financial year. • The audit committee of the Board reviews the adequacy of audit staff strength and scope of Internal Audit. • Board has approved a policy of recovering delinquent loans. • MFI prepares monthly reports about the number, nature and resolution of grievances and feedback received for management review and same is presented to audit committee set up at board level. • The MFI has a practice 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. • In all the branches, the contact number and address of MFIN nodal official was properly displayed. • Awareness among client and staff on MFIN grievance redressal mechanism was found to be moderate to high. • The MFI have the policy to place reports on COC compliance before the board. • Fixed Component compensation of staff is not impacted in event of overdues. SMPL, in its fair practices code provides importance for transparency in pricing and clear communication to the clients.
Sensitive Indicators	<ul style="list-style-type: none"> • Clients interviewed were moderately aware of the charges and price for all services availed. • Awareness among the staff on RBI guidelines was found to be moderate to high. • There are no adverse observations in the Auditor's report regarding accounting standards followed by the MFI. • SMPL shares accurate data with all credit bureaus on a frequency prescribed by MFIN. • SMPL does not charge any extra fees from client apart from processing fee and insurance premium. The loans are issued to the clients without any collateral and no security deposit is accepted. Further no penalty is charged for overdue and pre-closure of loans. The organization also has a well-documented policy on pre-payments.

	<ul style="list-style-type: none"> The MFI gets an external CA agency to certify its compliance with RBI's directions for NBFC-MFIs.
--	---

BUILDING BLOCKS	
Transparency	<ul style="list-style-type: none"> Awareness among the staff on RBI guidelines was found to be moderate to high. SMPL has documented the pricing of its loan products in its operational manual. In the branches visited loan documents had been maintained in local languages. Circulars with the most recent directions were available in the visited branches. SMPL's in its fair practices code provides importance for transparency in pricing and clear communication to the clients. The loan interest rate and processing fees is mentioned on the loan passbook and loan agreement provided to the client. Clients interviewed were moderately aware of the charges and price for all services availed. Audit committee verifies through the audit reports whether all clients have received the necessary loan documents. SMPL displays the details of the loan products including their interest rates and client grievance redressal system on its website. SMPL shares acknowledge to the clients when they apply for loan. SMPL issues loan agreement to the clients with all terms and conditions of the loan including annualized interest rates. Code of conduct compliance report of SMPL & previous financial year annual financial statement and report is available in the public domain.
Client Protection	<ul style="list-style-type: none"> SMPL has a board-approved policy regarding client data security. Employees are trained on aspects of appropriate behavior with the clients. SMPL has documented policy on client data security which forms part of its fair practice code. SMPL does not take written consent of the client for third party disclosures and does not offer Non-credit products to its clients. SMPL has framed a Fair Practice Code and has also adopted the RBI fair practices code. Employees are trained on aspects of appropriate behavior with the clients.

	<ul style="list-style-type: none"> • Staffs were found to be aware of the need to have professional conduct with the clients. • Internal Audit checklist is comprehensive but can be strengthened further by incorporating more aspects like awareness regarding Reserve Bank of India (RBI) compliance and Self-Regulatory Organization (MFIN) among clients/members and staff, Privacy of client information.
Governance	<ul style="list-style-type: none"> • MFIs maintain high standards of governance by inducting persons with good and sound reputation as members of Board of Directors/Governing body. • SMPL has its board with rich experience from banking and finance. SMPL has more one-third of its board members as Independent directors. • SMPL discloses its MD's compensation in its audited reports (Ref. Audit Report 2023). • An audit committee of the Board with an independent director as chairperson. • The MFI has got its accounts audited in a timely manner after the end of the most relevant financial year. • No adverse observations in the Auditor's report regarding accounting standards followed by the MFI.
Recruitment	<ul style="list-style-type: none"> • SMPL's board has reviewed its recruitment policies at least once annually. • The MFI has a defined and documented process for responding to reference check requests. • There is documentary evidence to suggest that MFI has honored the notice period for all employees who have left it. • SMPL obtains NOC or relieving letter from the previous employee, in case employees are recruited from other MFIs. • The MFI has a practice 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.
Client Education	<ul style="list-style-type: none"> • SMPL in its fair practices code provides importance for raising clients' awareness of the options, choices and responsibilities regarding financial products and services • SMPL does not charge clients for the trainings provided to clients, itself or through a related party. • Awareness among client on annualized Interest rate & Insurance claim settlement process was found to be moderate.
Feedback and Grievance Redressal	<ul style="list-style-type: none"> • The Board has approved a policy for redressal of its clients' grievances, which requires board to be updated on the functioning of grievance redressal mechanism. • MFI prepares monthly reports about the number, nature and resolution of grievances and feedback received for management

	<p>review and same is presented to audit committee set up at board level.</p> <ul style="list-style-type: none"> • Clients were found to be moderately aware of the helpline number. • Feedback mechanisms are regularly tracked and monitored. • In all the branches, the contact number and address of MFIN nodal official was properly displayed. • It has an effective system to record complaints received at the toll free number. However, very limited entries were observed in complaint registers maintained at the branch level. • Awareness among client and staff on MFIN grievance redressal mechanism was found to be moderate to high. • Dedicated team at HO level to documents and follow up on the client complaints.
<p style="text-align: center;">Data Sharing</p>	<ul style="list-style-type: none"> • Financial and operational data for FY 2023 is available on the website of SMPL. • MFI has a well-defined process for sharing data with the credit bureaus. • MFI has provided data called for by MFIN and RBI as and when required as per compliance. • SMPL shares accurate data with all credit bureaus on a frequency prescribed by MFIN. • SMPL performs compulsory credit bureau checks for all its clients.

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.

Highest Order	
Sensitive Indicators	
Higher Order	
Integrity & Ethical Behaviour	
Building Blocks	
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	26
Building Blocks	Number of Indicators
Transparency	40
Client Protection	122
Governance	30
Recruitment	13
Client Education	14
Feedback & Grievance Redressal	25
Data Sharing	6
Total	250

Methodology

The Code of Conduct exercise is spread over four to eight days. The first day is spent at the head office. The assessment team visits the branches over the next three to eight days. Depending upon the size and the operational area of the MFI, eight to fifteen branches and between 120 and 300 clients are sampled for primary survey (except in cases where number of branches in an MFI is less than eight).

Sampling guidelines

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

MFI Size	No. of branches to be visited	No. of borrowers to be visited
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)	120-150 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 MFI (>2,50,000 borrowers) and having gross loan portfolio (GLP) > Rs 500 crore	18 – 20 branches (geographically distributed)	360-400 clients (20 clients per branch covering minimum two centers).

Code of Conduct Assessment exercise requires:

1. 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 above.
2. 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. The last audited financial statements will also be required.
3. Sampling of branches at the head office. The assessment team samples branches for review. The branches are chosen in across different states in case the MFI operates in more than one state. Care is exercised to include older branches as well as branches that are distant from the head office or the regional office. The sampling of the branches is performed at the head office of the MFI.
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 judgmental sampling is performed on the MFI's clients by the assessment team to draw respondents from the interest group, in order to maximize the likelihood that instances of non-adherence can be detected.
6. Interview with the clients. Information from the clients is collected ideally during the group meetings. If this is not possible, visits are made to the clients' locations for collecting information.
7. Review of loan files at the branch office. This review focuses on loan appraisal performed before disbursing loans as well as the documents collected from the clients.

Sr No	Branch	State	No of clients interviewed
1	Sakinaka	Maharashtra	18
2	Chembur		22
3	Malad		23
4	Andheri East		21
5	Kandivali		19
6	Bhandup		22
7	Ghatkopar		21
8	Thane		19
9	Kalwa		17
10	Kalyan		18
11	Navi Mumbai		21
12	Ulhasnagar		23
13	Mankhurd		22
14	Thiruvallur	Tamil Nadu	17
15	Sholinghur		19
16	Ponneri		22
17	Thiruvarur		21
18	Thirumullaivoyal		23

Total	368
--------------	------------

About SMERA Ratings

SMERA, widely known as 'The SME Rating Agency', was conceptualised by Ministry of Finance, Govt. of India and the Reserve Bank of India to help Indian MSMEs grow and get access to credit through independent and unbiased credit opinion that banks can rely on. Thus, SMERA became world's first MSME focused rating agency and introduced the concept of SME Ratings in India. SMERA offers SME Ratings, New Enterprise Credibility Scores, SME Credit Due Diligence and SME Trust Seal to Indian MSMEs to help lenders take informed decisions.

SMERA is a wholly owned subsidiary of Acuité Ratings & Research Limited. Acuité, a joint initiative of Small Industries Development Bank of India (SIDBI), Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India, is registered with SEBI as a credit rating agency.

© 2023 SMERA Ratings Private Limited

Registered Office
905, Lodha Supremus, Lodha
iThink Techno Campus, Near
Kanjurmarg Railway Station,
Kanjurmarg (East)
Mumbai - 400 042
Tel: +91 22 6714 1111
Email – info@acuite.in

Website:
www.microfinanalytics.com