

2020-21



SOCIAL PERFORMANCE REPORT

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## ACKNOWLEDGEMENT

Ananya has been a proactive impact lender since its inception. We have contributed every possible resource in creating an impact on the unbanked and underserved population with a special focus on women in India. With more than a million women borrowers served, it becomes evident for the organization to establish a standardized approach towards measuring and monitoring the impact we create in society.

The SPM Report for the year 2020-21 is our first step towards reporting and analyzing our social performance and impact. It is an attempt by the organization to keep our stakeholders updated with the social performance aspects of Ananya. The report is also an effort towards impact-driven business decision-making. Moreover, the report will also serve as a crucial constituent in communicating our impact to impact-driven institutions across the world to foster impact-driven collaboration.

An insurmountable amount of effort has been put into developing the report and establishing a formal SPM department at Ananya. We would like to thank Ms. Haruna Tanaka and Ms. Cheriell Neo from Gojo and Co. who were resourceful in producing Ananya's SPI4 audit report. We also would like to thank all the employees of Ananya, partner institutions and institutional borrowers who proactively participated in commencing the social performance monitoring and management journey of Ananya. Sincere gratitude to our board members and senior industry experts associated with Ananya for supporting our SPM initiative.

We would like to sincerely thank Mr. Nagendra Rajawat who mentored Ananya's SPM department in publishing the SPM report. We would like to present our sincere gratitude to Mr. Avi Jain, the SPM and Development Communications manager of Ananya who experimented with new avenues of social performance management for Ananya. He conducted research and assessments with our stakeholders for the SPM report. He also undertook the responsibility of preparing and designing the report.

At last, we would like to thank everyone who have been associated with Ananya for supporting us in creating a reasonable impact in the development space. We pledge to continue our efforts in making this world a better place by empowering the underserved population of India with beneficial financial products and services.

**Team Ananya**



# ABBREVIATIONS

- MFIs:** Microfinance Institutions
- FSPs:** Financial Service Providers
- SPI4:** Social Performance Indicators 4
- SID:** Simpson Index of Diversification
- SDI:** Shannon Diversity Index
- SEI:** Shannon Equitability Index
- AFIG:** Ananya Finance for Inclusive Growth Pvt. Ltd.
- CPP:** Client Protection Principles
- ESS:** Employee Satisfaction Survey
- SEDP:** Skill and Enterprise Development Project
- SEDP:** Small Industries Development Bank of India
- JOHAR:** Jharkhand Opportunity for Harnessing Rural Growth
- JSLPS:** Jharkhand State Livelihood Promotion Society
- FPCs:** Farmer Producer Companies
- AESGAT:** Ananya's Environment, Social and Governance Assessment Tool
- ESG:** Environment, Social and Governance
- PDI:** Portfolio Diversity Index
- MSMEs:** Micro, Small and Medium Enterprises
- ABIT:** Ananya's Behavioural Intelligence Tool
- SPM:** Social Performance Management
- NPS:** Net Promoter Score
- MT:** Metric Tonne
- FY:** Financial Year/Fiscal Year
- CO2:** Carbon Dioxide
- KFPCL:** Kutch Fisheries Producer Company Limited
- NBFC:** Non Banking Financial Company
- HTEL:** High Ticket Enterprise Loans
- NBFI:** Non Banking Financial Institution
- FWWB:** Friends of Women World Banking





Ananya Finance for Inclusive Growth Pvt. Ltd. (Ananya) is an NBFC set up by Friends of Women's World Banking – India (FWWB) in 2009, intending to reach out to a large section of microfinance institutions (MFIs) and grass-root entities. Ananya is among the most responsible NBFCs in India with the urge and commitment to serve socially motivated double bottom-line enterprises.

Ananya started operations by taking over FWWB's Wholesale Microfinance Institution lending portfolio in April, 2010. The NBFC has come a long way, withstanding the Andhra Pradesh Microfinance crisis of 2010, and has a robust lending portfolio today diversified across Microfinance Wholesale, Microfinance Retail, and Agribusiness and Impact MSME.

Ananya started with wholesale lending to the

MFIs, expanding its lending activities to the Agriculture sector in January, 2015 and direct lending to individuals through MFIs in October, 2015. In the MFI space, Ananya has catered to all types of MFI clients ranging from large-sized players like Bandhan, Janalakshmi, Ujjivan, Suryoday to mid-sized players like Sonata, Utkarsh, Satin and small-sized players like Shikhar, Navachetana, and MSM Microfinance. In Agri-finance, Moreover, Ananya has developed a portfolio with impact MSMEs in solar energy, healthcare and waste management.

Ananya is among the few wholesale lenders that specialize in combining credit support with technical assistance. Ananya has provided capacity building services with organisations SIDBI, JSLPS, and The World Bank.



## OUR VISION

**“To enable every poor Indian woman to have access to financial capital and enable her to be an active catalyst in the societal development.”**



## OUR MISSION

**“To provide a window through which donors, commercial lenders and other parties can channelize funds towards deserving institutions. Furthermore, To assist in building a powerful microfinance industry by bringing expertise along with the funds.”**



## OUR VALUES

**“To serve our clients with complete transparency, honesty, commitment, integrity, and with the purpose of benefitting society vis-à-vis contributing to the socio-economic development of the country.”**



## 2035 AGENDA

**“To reach 3 million borrowers especially women by introducing impact-driven financial products and services.”**





Microfinance has been a strong foundational pillar for socio-economic empowerment for women and society in our country specially in rural and semi-urban areas. Ananya is a coming of age NBFI who offers microfinance loans through institutional partnerships in wholesale and retail segments. Our products and services are customized and focused on income generating livelihoods.



**47,794+**  
Borrowers served



**23**  
MFIs served



**174 Crores**  
INR Disbursed



Agriculture provides livelihoods to many people in developing and emerging economies—especially those living in rural areas. Lack of access to finance stops many farmers from adopting new technology and improving their efficiency. Ananya comprehends the need for proper financial services for better agricultural productivity and economic development. Ananya enables the sector by financially enabling FPOs and other actors in the value chain.



**12,500+**  
Farmers served



**8**  
Enterprises served



**26 Crores**  
INR Disbursed



Development of MSMEs is crucial for the overall development of the economy of the country. SME financing has developed a lot for the past several years. Impact MSMEs are the ones that create socio-economic-environmental impact while contributing to the economic prospects. Ananya recognizes the financial needs of these aspirational organizations and offers customizable loans, consultancy, and other financial services.



**3,326+**  
Beneficiaries served



**164**  
MSMEs served



**8.5 Crores**  
INR Disbursed



Ananya is one of the few NBFIs in India that offers financial products and services along with technical capacity building services. In the year 2020-21, Ananya has worked with the World Bank and JSLPS on implementing capacity building programme for farmers, farmers collectives and other beneficiaries.

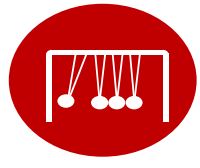


**2,00,000+**  
Beneficiaries Impacted



**19**  
Enterprises Served





# OUR IMPACT



We believe that there is no singular defined metric to assess the impact of our funds on our beneficiaries in an absolute sense. Hence, we incorporate multiple tools and methodologies to understand and comprehend our impact journey. Ananya is an impact lender investing in every possible opportunity that contributes to the equitable socio-economic development of the underbanked and unbanked population from underserved areas of the country, especially women. Hence, our efforts of social performance management are not an attempt to only report our impact. Instead, it is a practice for the organization to improve its internal capacity and processes for all-around sustainable development.





# SPI4 AUDIT

Ananya conducted its first **SPI4 Audit in the year 2021**. The social performance audit was an attempt by the organisation to kickstart a formal process of measuring, monitoring and improving the social performance of the organisation. Ananya has been a leading NBFIs in terms of impact lending and social compliance. The audit results helped us understand the gaps and rectify them with actionable activities planned for the next year. For the SPI 4 audit methodology refer to **Annexure 1**.







# SPI4 Audit

## ABOUT SPI 4



Created in 1998, CERISE is a French non-profit organization that promotes responsible, ethical and inclusive finance through the **measurement and management of social performance**. For 20 years, CERISE has been sharing its vision of social performance through **training, tools and the emergence of international standards**.



The SPI4 is a **social audit tool** for financial service providers to measure **their social performance**.

The SPI4 is a set of **quantitative and process indicators** for Financial Service Providers (FSPs) to evaluate their level of implementation of the **Universal Standards for Social Performance Management**, which include the **Client Protection Certification Standards**.

**625+**

Global Organizations who have done SPI 4 Audit

The SPI 4 audit entails more reasoning towards the process than towards direct impact created by the portfolio. Moreover, it also entails Client Protection Principles as an important aspect of the audit.

**38+**

Indian Organizations who have done SPI 4 Audit

SPI4 helps FSPs create their social statements and offers a coherent, comprehensive and pragmatic way to **strengthen client-focused management practices**.

## Compliance With Other Frameworks



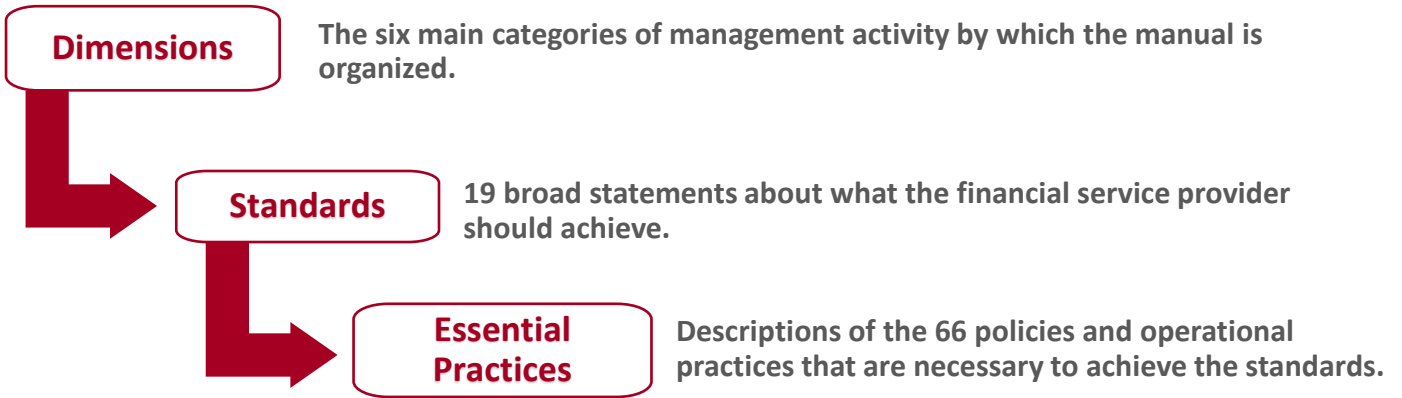


# SPI4 Audit

## ABOUT SPI 4 DIMENSIONS

There are 6 dimensions in the SPI 4 audit. Each dimension deals with a specific aspect of social performance of an organization. These dimensions entail a set of indicators which have further inquiries

that is to be made for the organization. Based on the scores received in each dimension, the organization receives the overall score of that dimension followed by the overall score of the audit.



The Six dimensions of the SPI 4 audit comprising of social performance assessment in specific areas.





# SPI4 Audit

We conducted our first Cerise SPI4 Audit in the year 2020-21. The audit comprised of a detailed analysis on Ananya's social performance management mechanisms and activities as per universally defined guidelines. The audit was conducted by one internal auditor and two external auditors from Gojo and Co. They were also granted Cerise internal and external auditor qualification through Ananya's SPI 4 audit. Overall, we performed well

in the SPI4 audit. However, being a proactive impact lender, we aim for continuous improvement to benefit our beneficiaries in the best possible manner. Hence, we have started working on the gaps identified in the audit. We aim to be amongst the best SPI4 compliant organisation by the year 2021-22. The scores from the audit and comments from the auditors are as follows:

**Define and Monitor Social Goals**

53

Global Scores: 63

**Global Score**

**68.0%**

**Ananya's Score**

**75.6%**

**Commitment to Social Goals**

62

Global Scores: 57

**Design Products that Meet  
Clients' needs**

89

Global Scores: 68

**Treat Clients Responsibly**

88

Global Scores: 72

**Treat Employees Responsibly**

86

Global Scores: 73

**Balance Social and Financial  
Performance**

76

Global Scores: 75

## Cerise Qualified SPI 4 Auditors



Haruna Tanaka, Gojo and Co.  
External Auditor



Cheriell Neo, Gojo and Co.  
External Auditor



Avi Anuj Jain, AFIG  
Internal Auditor





# SPI4 Audit

## Dimension 1: Define and Monitor Social Goals

Social Strategy

72

Reporting of  
Client Data

32

- ✦ **Dimension 1 – Define and Monitor Social Goals** helps an institution answer the two critical questions: 1) "Is my institution reaching its target population?" and 2) "Are our clients' lives improving?". It states that an institution must have a clear strategy that describes the institution's social goals, how the institution's work contributes to achieving those goals, and how the institution will measure its actual progress toward those goals.
- ✦ Ananya as a responsible NBFC has been working towards achieving its social mission and vision. Ananya's social mission and vision are clearly defined and communicated well both internally and externally.
- ✦ Ananya has both social performance data collection and training in place, but it is not formalized, given the size of the organization. Ananya needs to devise robust strategies around monitoring social performance management on routine basis.
- ✦ Though Ananya practices transparency in reporting to stakeholders, it needs standardized approach towards social data collection and reporting the same on diverse platforms.





## Dimension 2: Commitment to Social Goals

Board Accountability

62

Senior Management  
Accountability

60

Staff Accountability

62

- ✦ Buy-in at all levels of an organization is critical to the successful implementation of the institution's strategy. **Dimension 2 – Commitment to Social Goals** covers the practices that an institution can put in place to ensure that its board members, management, and all the employees are committed to the institution's social goals.
- ✦ Ananya's commitment to its social goals i.e., sustainable socio-economic development of the country through lessening poverty levels is to the point. **The board members and senior management also assume the same social goals** in the overall business performance.
- ✦ Ananya has an **established structure for SPM based monitoring for each level of management**. However, there is a need to establish a standardized structure around SPM related accountability.
- ✦ Ananya has to **formalize and document the social performance management oriented appraisal process** for its senior management. Although the organization has certain elements of SPM in the appraisal process, it need to make the process more social goals driven.







# SPI4 Audit

## Design Products that Meet Clients' Needs

Client Needs and Preferences

100

Benefits to Clients

75

- ✦ **Dimension 3 – Design Products that Meets Client's** incorporates precisely all the Smart Campaign client protection certification standards related to client protection principle one, "Appropriate product design and delivery."
- ✦ In Dimensions 3, the results for Ananya were **evaluated as a consolidated score of 3 segments** of Ananya's businesses: (1) B2B2C business serving end clients (individual women borrowers) through on book lending to Business Correspondents, (2) B2B business doing off-book lending to MFIs and (3) Agrifinance and impact enterprise business.
- ✦ Ananya and its partner MFIs who lend on its behalf **maintain good client practices**. It was found that Ananya and its partner MFIs **engage in proper need assessment for clients by combining secondary research with field-level training** on how to listen to and observe clients during interactions.
- ✦ The benefits to end borrowers could **be improved by expanding the range of products and services offered** to cover different stages and needs of borrower's life.

## Participating MFI Partners





# SPI4 Audit

## Dimension 4: Treat Clients Responsibly

Prevention of Over-Indebtedness	85
Transparency	94
Fair and Respectful Treatment of Client	85
Privacy of Client Data	80
Mechanism of Compliant Resolution	82

✦ Dimension 4 – Treat Clients Responsibly was incorporated verbatim into the SPI4 from the Smart Campaign client protection certification standards for principles two, three, five, six, and seven (respectively, Prevention of Over-indebtedness, Transparency, Fair and Respectful Treatment of Clients, Privacy of Client Data, and Mechanisms for Complaint Resolution).

✦ In Dimensions 4, the results were evaluated as a consolidated score of 3 segments of Ananya's businesses: (1) B2B2C business serving end clients (individual women borrowers) through on book lending to Business Correspondents, (2) B2B business doing off-book lending to MFIs and (3) Agrifinance and impact enterprise business.

✦ Ananya and its partner MFIs score particularly well on Transparency and Prevention of over-indebtedness thanks to robust credit and monitoring processes at partner MFIs and Ananya.

✦ There is a need to design better-documented policies around client data protection and privacy.

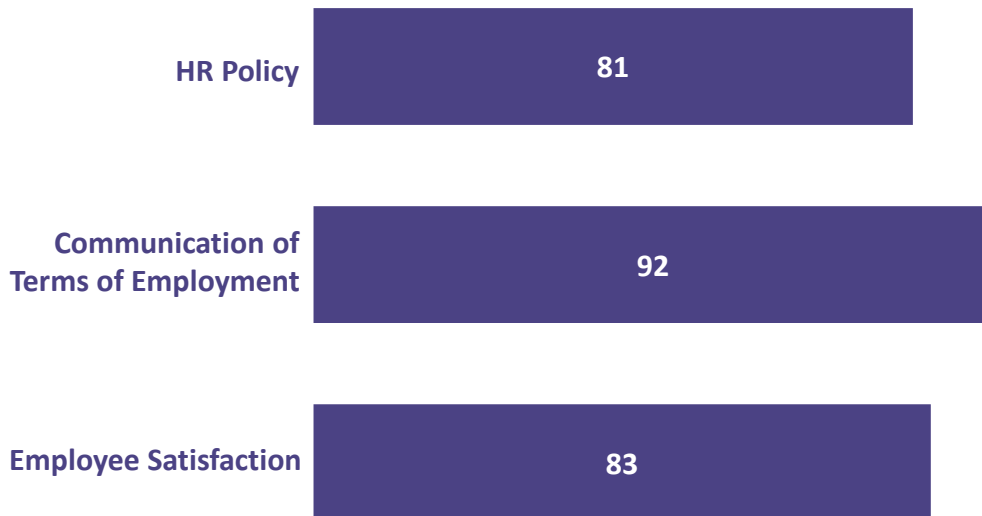
✦ Ananya has a dedicated team of portfolio audit managers who continuously monitor loans on the field. However, there is a need to incorporate client protection related inquiries in the field visits.

## Participating MFI Partners





## Dimension 5: Treat Employees Responsibly



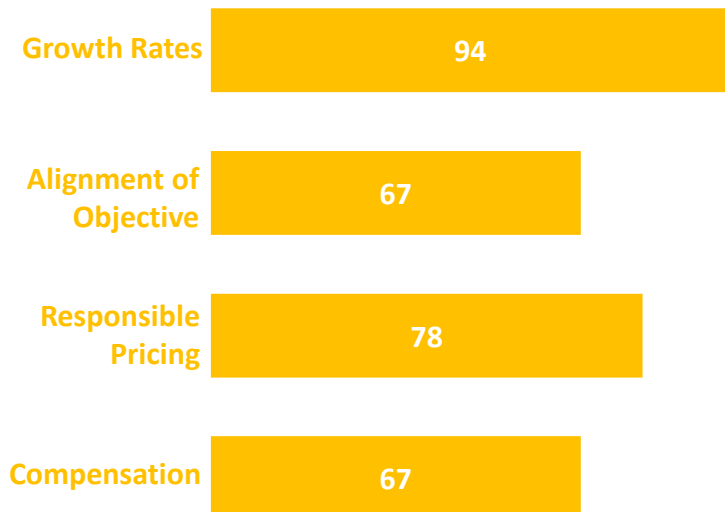
- ✦ Responsible treatment of employees is critical to a successful institution because offering employment is an important benefit that an institution brings to its community.
- ✦ Dimension 5 – Treat Employees Responsibly focuses on how an institution can create a fair, safe, and supportive working environment, and how it can provide employees with the information they need to succeed in their jobs.
- ✦ Ananya takes its work environment and HR practices for employees seriously. The institution’s decent scores on HR policy, communications, and employee satisfaction indicate its engagement with the needs and performance of employees, as evidenced by its comprehensive HR Policy and practice.
- ✦ The HR policy can be made more detailed on the rights and the training provisions for the employees.
- ✦ In the Employee Satisfaction Survey(ESS) conducted in mid-2021 it was found that, employees at Ananya are in general satisfied with the work culture, environment, and work-life balance. However, some areas for improvement highlighted by employees are compensation levels and training of employees on the social goals.





# SPI4 Audit

## Dimension 6: Balance Social and Financial Performance

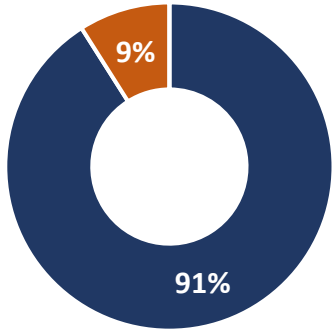


- ✦ **Dimension 6 – Balance Social and Financial Performance** focuses on the institution's decision-making around key financial topics (e.g., growth targets, profit targets and allocation, selection of financing sources, remuneration of employees) that is also crucial to maintaining a client focus. Dimension 6 incorporates verbatim all Smart Campaign client protection certification standards related to client protection principle four, "Responsible Pricing."
- ✦ Ananya has **maintained reasonable growth considering the impact of the pandemic** on loan portfolio in India. Though the institution faced loss in the year 2020-21, it has been able to maintain a decent balance between financial and social performance.
- ✦ Its management considers a well-rounded range of factors when **making decisions about business planning and target growth rates**.
- ✦ While Ananya's **financial goals are to some extent aligned with social performance** like the need to attract high-quality B2B clients and to maintain good portfolio quality, it needs to shape better impact prospects aligned with the business goals.

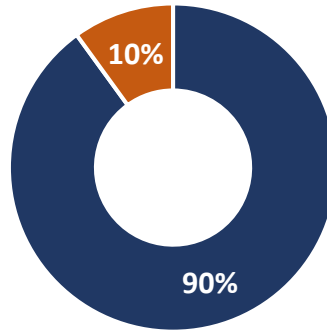




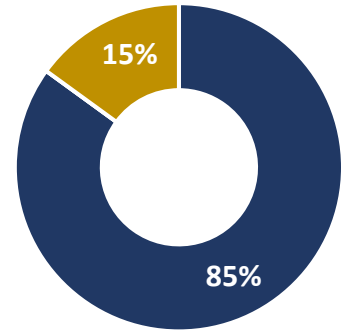
## Client Protection Standards



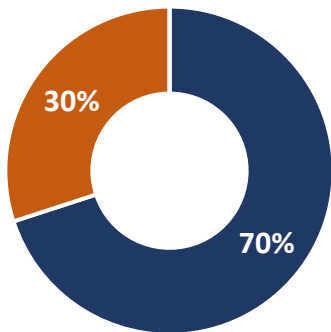
Appropriate product design and delivery



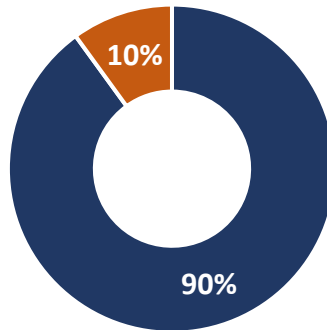
Prevention of over-indebtedness



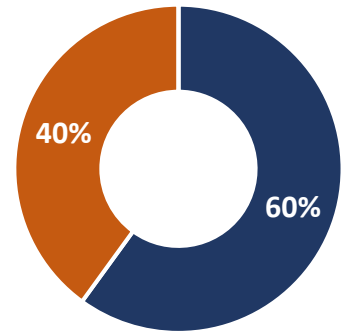
Responsible Pricing



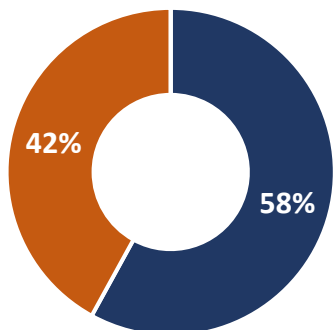
Fair and respectful treatment of clients



Transparency



Privacy of clients data



Mechanisms for complaints resolution

The client protection principles in the context of Ananya and its 10 partner MFIs have been analyzed. It was found that as a combined entity (Ananya + Partner MFIs) offering products and services to the end clients has performed well but does not fully meet the standards of care in the seven principles. However, the alliance has performed well in five principles with more than 70 score. Small adjustments are needed to meet the standards in the areas of appropriate product design and delivery and transparency. Slightly bigger adjustments will be necessary to meet the standards for responsible pricing, fair and respectful treatment of clients and the privacy of client data.

	The Institution fully meets the indicator
	The institution doesn't meet all parts of the indicator
	The institution doesn't meet the indicator







# SDGs

As an active impact lender, Ananya has been serving to the underbanked and unbanked population of the country with a special attention to women borrowers. Ananya firmly believes in the philosophy of creating social impact with economic outcomes. **Our portfolio encompasses the elements of diversity concerning the Sustainable Development Goals (SDGs).** We have served to nearly 10+ SDGs while consistently serving to 6 SDGs. **We have been able to serve 10 SDGs in the financial year 2020-21.** The impact on SDGs have been reported for the disbursements made in the year 2020-21.





## MAJOR SDGs SERVED

<p><b>1</b> NO POVERTY</p>	<p>Disbursed <b>207.36</b> <b>Crores</b> Amount (₹)</p>	<p>Impacted <b>60,919</b> Beneficiaries</p>	<p>Impacted <b>32</b> Institutions</p>
<p><b>2</b> ZERO HUNGER</p>	<p>Disbursed <b>134.88</b> <b>Crores</b> Amount (₹)</p>	<p>Impacted <b>42,448</b> Beneficiaries</p>	<p>Impacted <b>31</b> Institutions</p>
<p><b>5</b> GENDER EQUALITY</p>	<p>Disbursed <b>174.18</b> <b>Crores</b> Amount (₹)</p>	<p>Impacted <b>47,696</b> Beneficiaries</p>	<p>Impacted <b>23</b> Institutions</p>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Disbursed <b>204.61</b> <b>Crores</b> Amount (₹)</p>	<p>Impacted <b>60,188</b> Beneficiaries</p>	<p>Impacted <b>32</b> Institutions</p>
<p><b>10</b> REDUCED INEQUALITIES</p>	<p>Disbursed <b>205.11</b> <b>Crores</b> Amount (₹)</p>	<p>Impacted <b>56,919</b> Beneficiaries</p>	<p>Impacted <b>31</b> Institutions</p>

Kindly refer to [Annexure 2](#) for methodology on SDG based Portfolio assessment.





## OTHER SDGs SERVED



Disbursed **1.9**  
**Crores**  
Amount (₹)

Impacted **2,707**  
Beneficiaries

Impacted **2**  
Institutions



Disbursed **.14**  
**Crores**  
Amount (₹)

Impacted **34**  
Beneficiaries

Impacted **1**  
Institutions



Disbursed **.1**  
**Crores**  
Amount (₹)

Impacted **33**  
Beneficiaries

Impacted **1**  
Institutions



Disbursed **1**  
**Crores**  
Amount (₹)

Impacted **100+**  
Beneficiaries

Impacted **1**  
Institutions



Disbursed **1.7**  
**Crores**  
Amount (₹)

Impacted **751**  
Beneficiaries

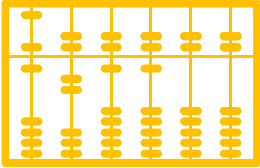
Impacted **3**  
Institutions

Kindly refer to [Annexure 2](#) for methodology on SDG based Portfolio assessment.





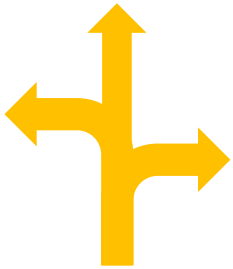
## OUR FUTURE PRIORITIES



**Design advanced tools and frameworks for SDGs based monitoring for Ananya's Portfolio.**



**Promoting SDGs based impact portfolio among institutional borrowers and stakeholders of Ananya. Providing technical support to the institutions to implement the strategies to achieve the same.**

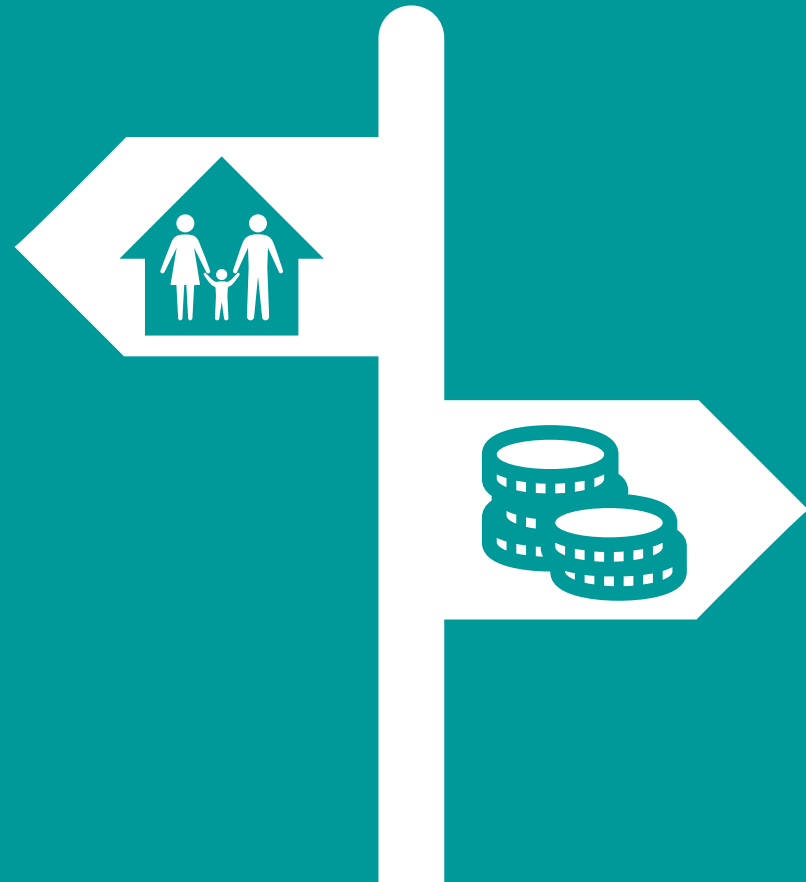


**Foster collaboration for diversifying our impact portfolio in other SDGs and build a sustainable green portfolio for Ananya. Moreover, harnessing the strength of financial services as a tool for empowering the institutions who are positively impacting the SDGs.**

Sustainable Development has always been a priority for Ananya. We ensure that we develop and implement globally relevant strategies to offer financial products and services that can help our country achieve sustainable development goals. We have realized that our lending efforts is focused more on SDG 1,2,5,8 and 10, mostly through our lending efforts. However, we have made our mark in the space with our capacity building programmes and technical support offered to various organisations. We are in the process of planning partnerships with reputed development agencies to start advanced programmes and create impact funds that can help us in magnifying impact on a diverse set of SDGs in the future. For the same, we

have prepared business plans where SDG impact diversification is considered as an important component. **The methodology followed for calculating SDG based portfolio is available in Annexure 2.**





# SECTORAL INCLUSION

Ananya has been one of the few lenders who witnesses 100% of its portfolio in the impact space. We engage in the quest of serving the underserved and unbanked population of the country with best in class financial services. Our agenda of sectoral inclusion focuses on serving the unbanked population that has been sandwiched between the poor (who are covered by most MFIs) and the banked population. We have been expanding our portfolio for the respective population and aspires to build a more diverse portfolio around the same.





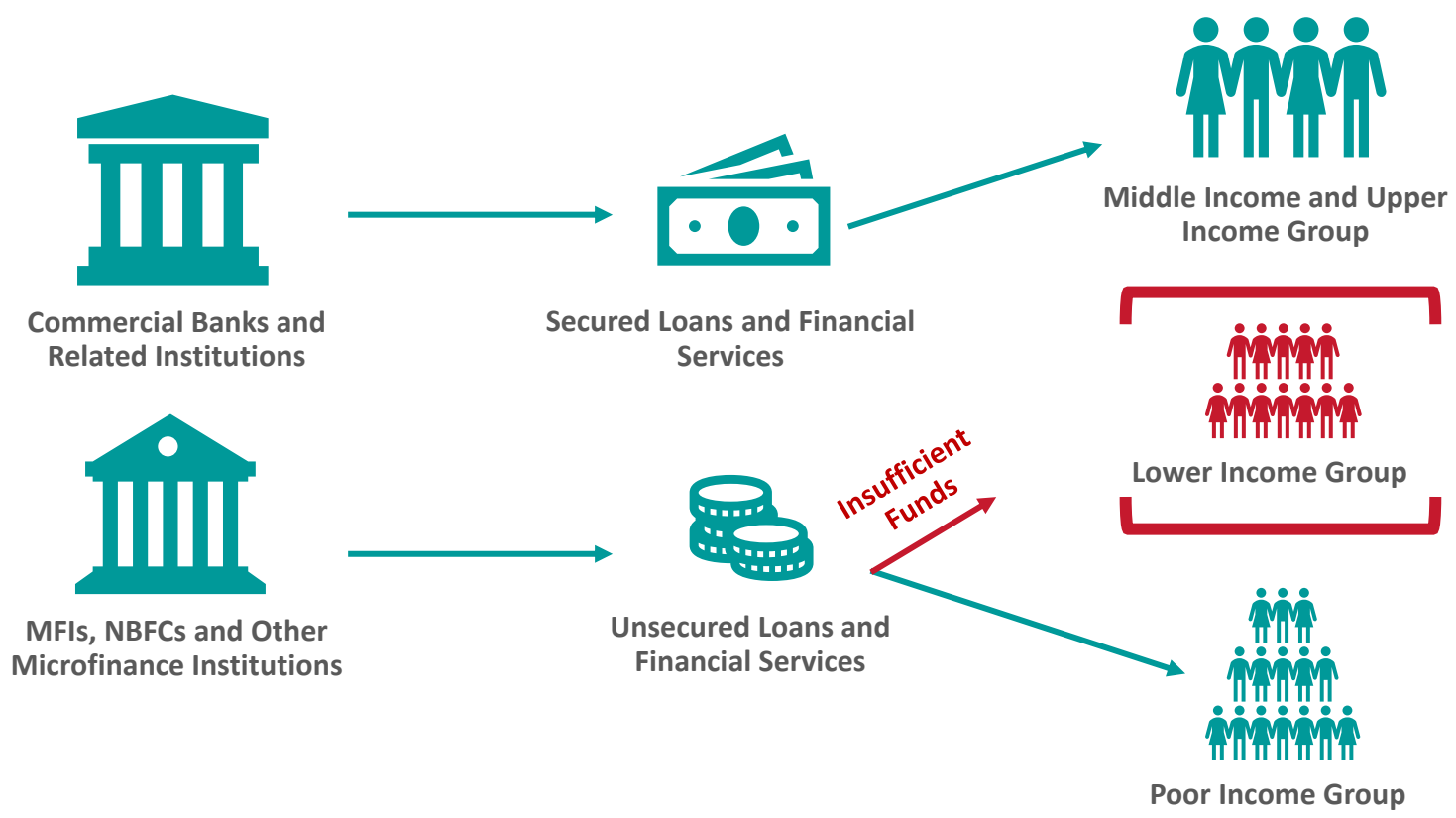


# Sectoral Inclusion

## OUR EXPERIENCE

Microfinance has created ample opportunities for institutions to put forward financial services for a larger set of borrowers from the lower income group. As on March 31, 2021, the microfinance industry served 5.93 crore unique borrowers, through 10.83 crore loan accounts. The overall microfinance industry's gross loan portfolio (GLP) surged by 11.9 per cent to Rs 2,59,377 crore as on March 31, 2021 from Rs 2,31,787 crore as on March 31, 2020<sup>1</sup>. However, even with these numbers, the Lower Income Group (LIG) and Economically Weaker Section (EWS) categories take a

huge miss. These neglected categories neither falls under the definition of RBI to avail microfinance loan nor have enough support to avail loans from commercial banks. Hence, there has been a need for impact lenders to tap the unbanked population and leverage financial support to empower the sandwiched population.



### The Sandwich Effect Problem

Ananya is proactively lending in the unbanked space to solve the sandwich effect problem in the economy. We aim to offer more financial and other capacity building services to empower the underserved population of India.

1. MFIN, (2021). Micrometer Q4 FY 20-21. India: Microfinance Institution Network (MFIN). Retrieved from [https://mfaindia.org/assets/upload\\_image/news/pdf/Micrometer%20Q4%20FY%2020-21%20Press%20Release.pdf](https://mfaindia.org/assets/upload_image/news/pdf/Micrometer%20Q4%20FY%2020-21%20Press%20Release.pdf)



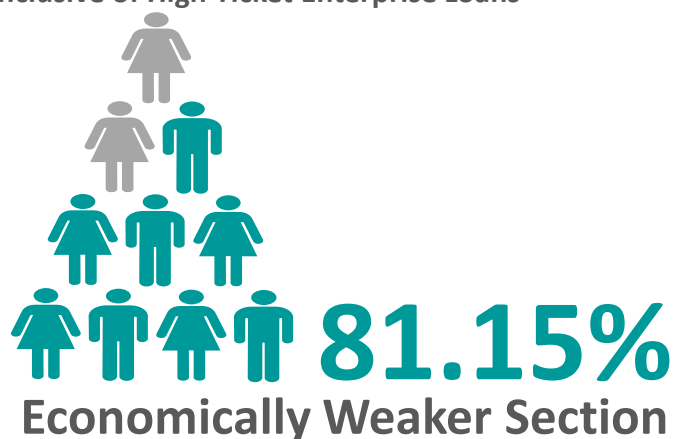


# Sectoral Inclusion

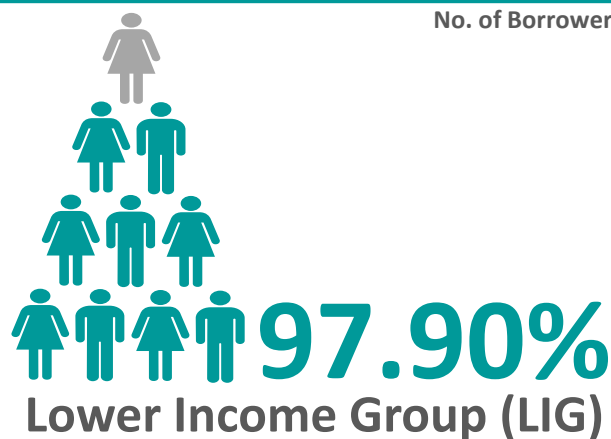
## Government of India Based Assessment

### Inclusive of High Ticket Enterprise Loans

No. of Borrowers: 47,794



Percent of our borrowers with annual household income less than Rs. 3,00,000.



Percent of our borrowers with annual household income less than Rs. 6,00,000.

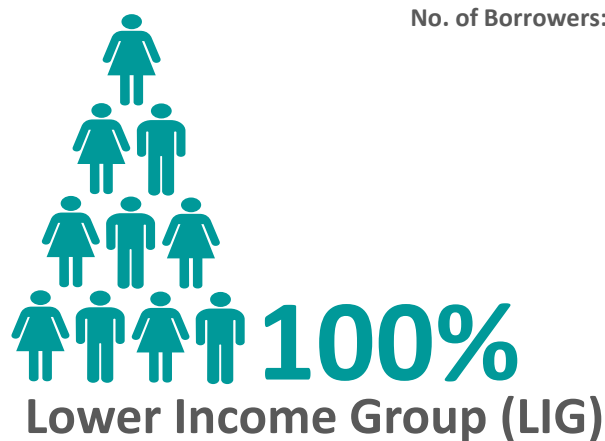
As per the income brackets set by Govt. of India, our portfolio inclusive of HTEL has 81.15% of borrowers who have household income less than Rs. 3,00,000 per annum. While the income bracket representing lower income group comprises of 97.90% of our borrowers. These calculations includes higher ticket size loans.

### Microfinance Loans (Exclusive of HTEL)

No. of Borrowers: 13,146



Percent of our borrowers with annual household income less than Rs. 3,00,000.



Percent of our borrowers with annual household income less than Rs. 6,00,000.

As per the income brackets set by Govt. of India, our portfolio excluding the higher ticket size loans comprising of 13,146 microfinance borrowers has 99.82% of borrowers with household income less than Rs. 3,00,000 per annum. While the income bracket representing lower income group comprises of 100% of our borrowers. These calculations excludes borrowers who are offered higher ticket size loans.

Refer to [Annexure 3.1](#) for the methodology for the Govt. of India based assessment.



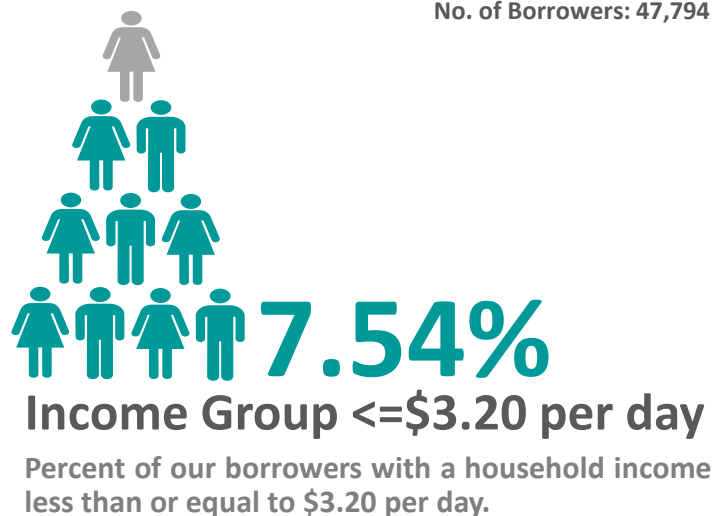
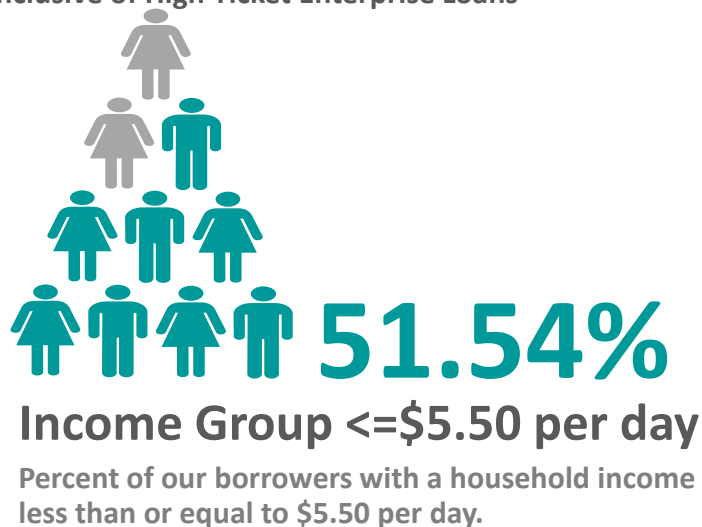


# Sectoral Inclusion

## Government of India Based Assessment

### Inclusive of High Ticket Enterprise Loans

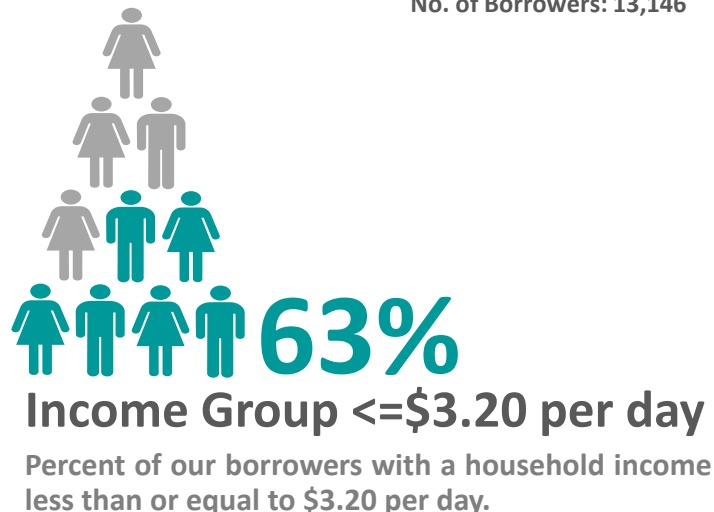
No. of Borrowers: 47,794



As per the income brackets set in International Poverty Line by the World Bank, our portfolio inclusive of HTEL has 51.54% of borrowers who have household income <=\$5.50 per day. While the income bracket representing lower income group comprises of 7.54% of our borrowers who have income <=\$3.20 per day.

### Microfinance Loans (Exclusive of HTEL)

No. of Borrowers: 13,146



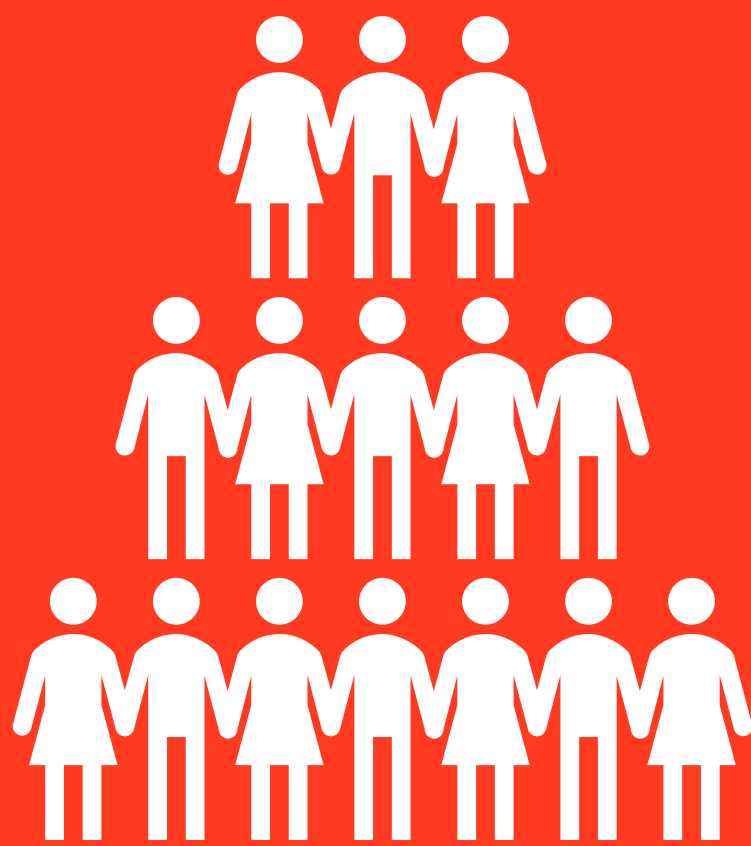
As per the income brackets set in International Poverty Line by the World Bank, our portfolio excluding the HTEL borrowers has 100% of borrowers who have household income <=\$5.50 per day. While the income bracket representing lower income group comprises of 63% of our borrowers who have income <=\$3.20 per day.

Refer to [Annexure 3.2](#) for the methodology for the international poverty live assessment.





# INDEXING PORTFOLIO DIVERSITY



Diversity is considered as a crucial factor to curb vulnerability in a portfolio. As an NBFC, Ananya ensures that the impact of its funds always maintain a healthy geographical and livelihood outreach. Ananya's portfolio diversity was understood through **Simpson akin Diversity Index and Shannon akin Diversity Index**. The index has been adjusted and incorporated to comprehend evenness, dominance and richness of our portfolio in terms of its diversity. Our portfolio index is similar to that of Simpson and Shannon Diversity Index but does not completely comprehend the structure of these indexes.



# INDEXING PORTFOLIO DIVERSITY



## THE PORTFOLIO DIVERSITY CONUNDRUM

The portfolio diversity is considered as a hallmark by each institution in the microfinance sector, as a medium of reporting and creating impact. The outreach though depicts the breadth of the portfolio, fails to statistically signify the depth of the same. The outreach is an important and a central theme for impact in MFI institutions. However, it lacks proper statistical evidence describing the efficiency of the portfolio diversity. Hence there lies a gap in the sector to adopt an accurate portfolio diversity analysis for understanding the depth of the impact an institution creates with its portfolio. We at Ananya maintain a diverse portfolio in terms of our

outreach and realize the sensitive importance of monitoring the same. Hence, we have adopted Simpson akin diversity index and Shannon akin diversity index that helps us understand the abundance, richness and equitability in our portfolio. The indices are calculated in the field of biology, however, these can be utilized in the development space with proper and process oriented analysis. We adopted a diversity index analysis approach inspired from these biological indices. We regularly monitor and restructure our portfolio for creating maximum impact by reaching an optimized number of borrowers in India.

## SIMPSON AKIN PORTFOLIO DIVERSITY INDEX

The community dominated by one or two species is considered to be less diverse than one in which several different species have a similar abundance. Simpson's Diversity Index is a measure of diversity which takes into account the number of species present, as well as the relative abundance of each species. However, it is specially constructed based on inputs derived from dominant species. We have incorporated a similar approach to measuring diversity of our portfolio. A Simpson akin portfolio diversity index has been prepared and calculated to comprehend the breadth and depth of

our portfolio. The index helped us in understanding the gaps in our portfolio with respect to the geographical concentration and livelihoods served with financial services. The index has certain limitations which has also been observed in our portfolio diversity index. The dominant species assume a more dominant position in the outcome. Hence, other indexes and methods have been adopted to have a holistic perspective on the portfolio diversity of Ananya. Refer to **Annexure 4.1** for more details on the methodology.

## SHANNON AKIN PORTFOLIO DIVERSITY INDEX

The Shannon index has been a popular diversity index in the ecological literature, where it is also known as Shannon's diversity index, Shannon–Wiener index, and (erroneously) Shannon–Weaver index. The measure was originally proposed by Claude Shannon in 1948 to quantify the entropy (hence Shannon entropy, related to Shannon information content) in strings of text. The index was adopted in species diversity calculation in the field of biological sciences.

Due to the natural algorithmic nature to understand equitability and abundance in an ecosystem or a system in general, the index has been used in social sciences too. Ananya utilizes a similar kind of index to understand the equitability/evenness and richness/density of its portfolio in terms of livelihood and geographical reach. The same is benchmarked with Ananya's target of reaching 3 million borrowers by 2035. Refer to **Annexure 4.2** for more details on the methodology.



# INDEXING PORTFOLIO DIVERSITY



## OUR 2020-21 PORTFOLIO AT GLANCE



**22**  
States where we  
disbursed loans



**300+**  
Districts where we  
disbursed loans

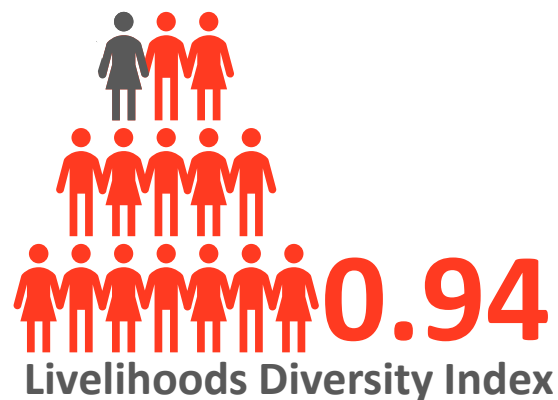
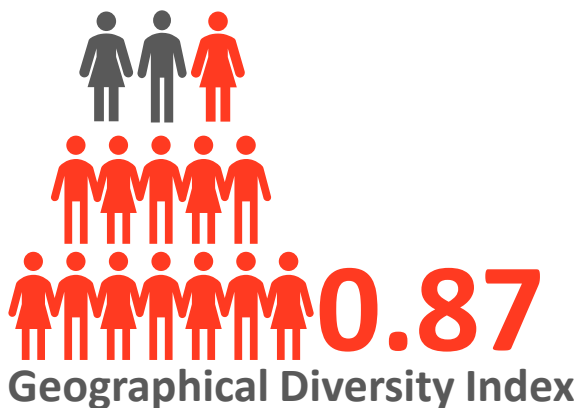


**570+**  
Types of livelihoods  
impacted



**47,794**  
Total MFI end  
beneficiaries

## SIMPSON AKIN PORTFOLIO DIVERSITY INDEX



Ananya's Simpson akin Portfolio Diversity Index calculated in terms of geographical outreach and different livelihoods served, signals a healthy impact oriented portfolio with exponential and sustainable outreach. Ananya's geographical diversity index of 0.87 out of 1 indicates that Ananya is actively lending in multiple geographies with a very low vulnerability in the portfolio.

Moreover, Ananya's Livelihood diversity Index of 0.94 out of 1 indicates that Ananya is serving to a diverse set of livelihoods creating an overall impact in terms of economic empowerment of multiple earning mechanisms in the economy. The diversity Index of Ananya indicates that our portfolio displays abundant diversity in terms of the livelihoods served by the loans. Ananya continuously strive to reach the underserved

population in the country. Even after having certain livelihood activities and concentration in certain geography, we have been able to maintain richness in our portfolio. It can also be understood in terms of risk where our overall portfolio is immune to minor localized as well as medium economic and policy level shocks. The methodology adopted for Simpson akin PDI is presented in **Annexure 4.1**.

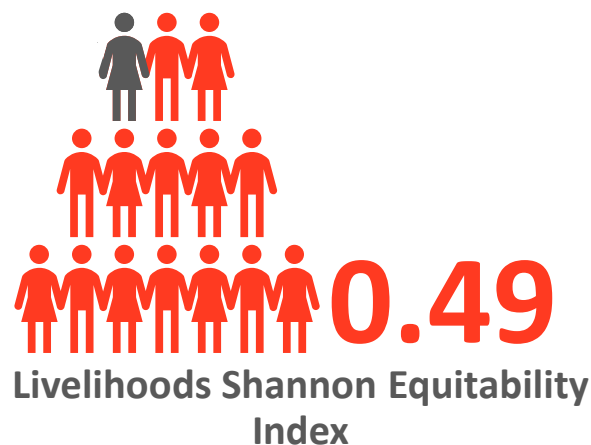
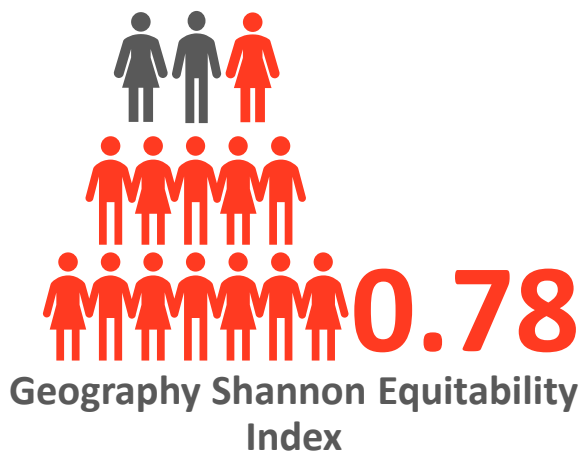
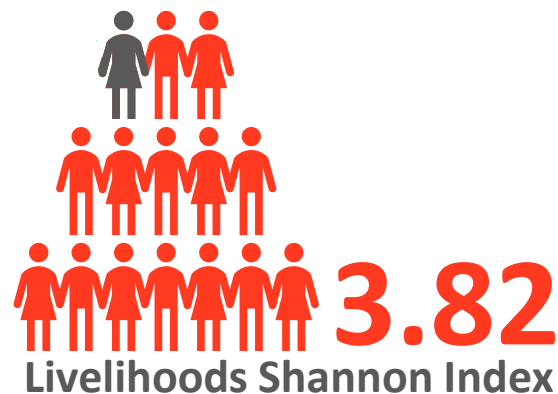
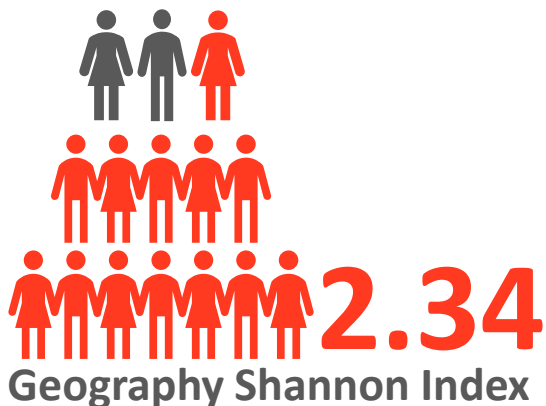




# INDEXING PORTFOLIO DIVERISTY



## SHANNON AKIN PORTFOLIO DIVERISTY INDEX



Ananya's Shannon akin Portfolio Diversity Index is also calculated in terms of geographical outreach and different livelihoods served. The index has been further equated and compared with the Equitability index similar to Shannon Equitability Index. Ananya's equitability index stands at 3.00 for geographical diversity and 7.8 for livelihoods diversity. The equitability index has been calculated based on a distribution of our targeted borrowers in 29 states of India based on the HDI score, Per Capita NSDP and the population of each state.

The comparative scores of the index signals a rich and somewhat evenly distributed portfolio of Ananya across the states of India. Ananya's geographical diversity index of 0.78 out of 1 indicates that Ananya's is lending in multiple geographies but requires a more distributive

approach to evenly serve borrowers in all the states.

Ananya's Livelihood Diversity Index of 0.49 out of 1 indicates that Ananya is serving to a diverse set of livelihoods creating an overall impact in terms of economic empowerment but it needs to equally serve all types of livelihoods. However, there is a need to incorporate more livelihoods or serve more borrowers in a set of well defined livelihoods. The overall Shannon akin PDI of Ananya indicates that its portfolio displays evenness diversity in terms of the livelihoods and geography but it can be greatly enhances to equitably serve to the socio-economic development of each state of India. The methodology of calculating PDI similar to Shannon Index is presented in **Annexure 4.2**.





# CLIENT SATISFACTION

Ananya is all about impact. Our impact is defined by how we serve our clients. Hence, our social performance is greatly influenced by how and what our clients think about our processes and performance. We did a client satisfaction survey with our B2B MFI, Agri and MSME clients to understand their perspective and overall satisfaction with our systems and processes. The client satisfaction survey is a glimpse of what is expected of Ananya as an NBFC who is lending in the impact space.

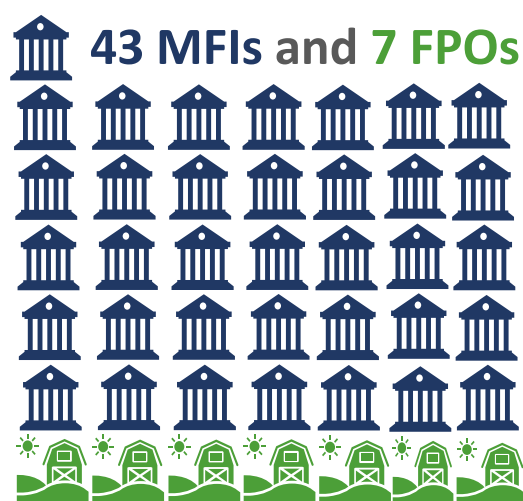




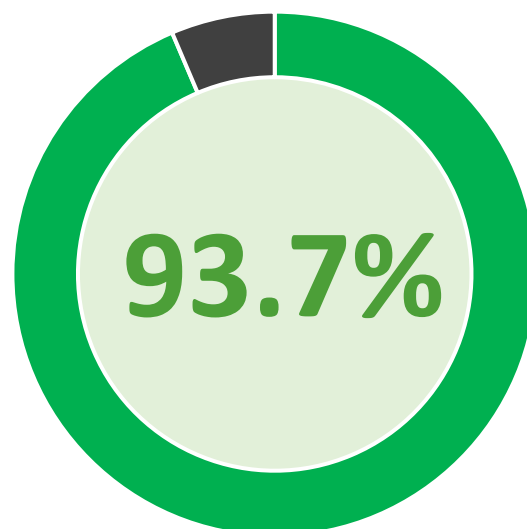
# CLIENT SATISFACTION

Our client's perception is our reality. Ananya has always been a client centric organisation. We have continuously thrived to provided the best services to our clients. Ananya conducted a survey in the year 2020 to understand it's impact on the clients and overall satisfaction of clients. 43 MFIs and 7 FPOs participated in the survey. It was observed that there were no detractors or clients who were completely dissatisfied

with our service. Moreover, our clients also benefitted from the capacity building support provided to them. We at Ananya consider our impact on end beneficiaries to reap only when we are able to better serve our B2B clients. We put focussed efforts in serving our B2B clients with a focus on their overall development and impact on our end beneficiaries. Refer to **Annexure 5** for the methodology adopted for the client satisfaction.

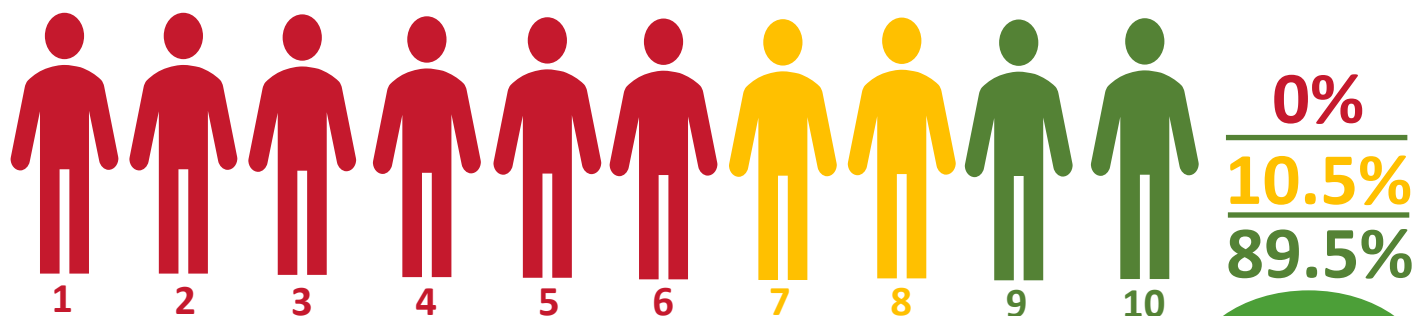


TOTAL CLIENTS PARTICIPATED



OVERALL SATISFACTION

## NET PROMOTER SCORE



Client Recommendation Rating for Ananya on a scale of 1 to 10

**ANANYA'S NET PROMOTER SCORE**

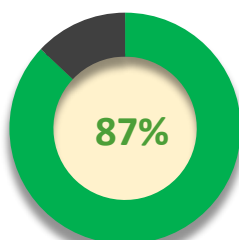
**89.5%**



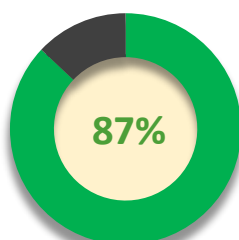


# CLIENT SATISFACTION

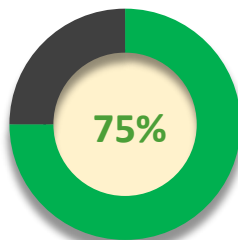
## Pre-Disbursement Satisfaction level of Client



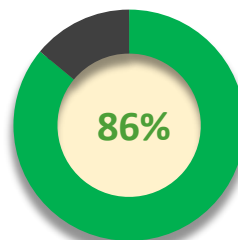
Time taken to respond to application / proposal



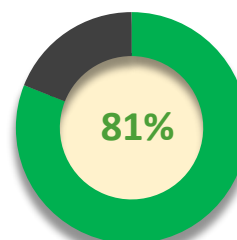
Information demanded for evaluation



Due diligence process conducted by Ananya



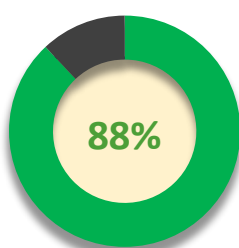
Time taken by Ananya to disburse the loan



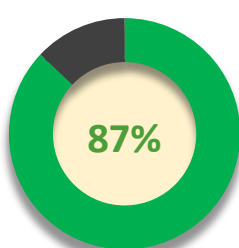
Documentation process followed by Ananya

It was found that 83.2% of the partners were satisfied with our pre disbursement process. It was further found that 25% of our borrowers were not satisfied with our due diligence process. Furthermore, the process was considered borrowers friendly as the 87% of the borrowers were satisfied with the inquiry and time taken to respond to application.

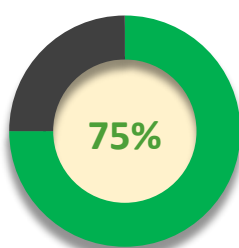
## Post-Disbursement Satisfaction level of Client



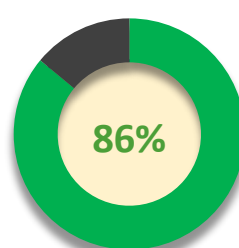
Post disbursement compliance



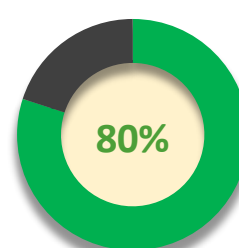
Nature of the products offered



Commercials of the loans disbursed



Covenants of the sanction



Adaptability to accommodate our needs

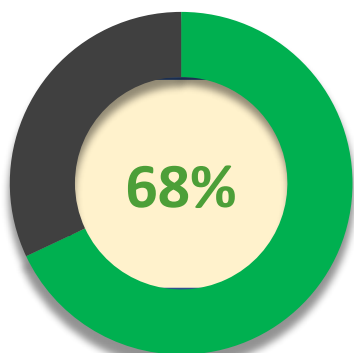
It was found that 83.2% of the partners were satisfied with our post disbursement process. It was further found that 25% of our borrowers were not satisfied with commercials of the loans disbursed. Furthermore, the process was considered borrowers friendly as the 87% of the borrowers were satisfied with the nature of customized products offered and compliance post disbursement.



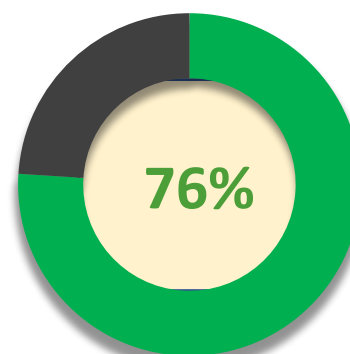


# CLIENT SATISFACTION

## CLIENT'S SATISFACTION WITH ANANYA'S CAPACITY BUILDING



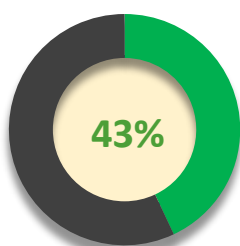
Extent of capacity building initiatives taken by Ananya



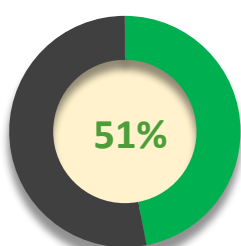
Overall effectiveness of capacity building initiative Taken by Ananya

It was found that 72% of the partners were satisfied with our capacity building support. It was further found that 76% of our borrowers were satisfied with overall effectiveness of the capacity building support offered. Furthermore, there were gaps identified in the extent of which the capacity building support could be offered.

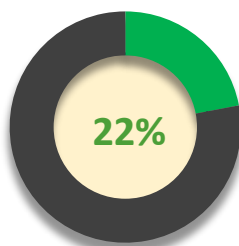
## ANANYA'S CAPACITY BUILDING CLIENT'S OVERVIEW



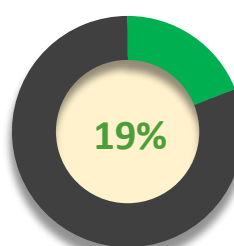
Strengthening systems, processes, control and management



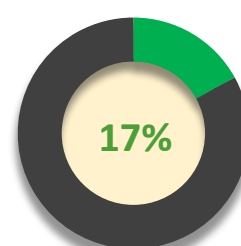
Improved visibility in market/fund raise



Better and well-researched products Offering



Improved compliance and governance



Technological advancement and support

It was found that 30% of the institutions had an optimistic orientation towards Ananya's capacity building support offered to them. It was also found out that only 17% of our borrowers were satisfied with technological support offered. Furthermore, the capacity building support had a decent impact on the efficiency of these institutions as the 51% of the borrowers were satisfied with the support from Ananya leveraged to present a better market position.





## OUR FUTURE PRIORITIES



**Capacity Building Support** – Ananya will work on introducing additional capacity building services and support for the partner MFIs, Agribusinesses and Impact MSMEs. We will focus more on enhancing the technical capacity and efficiency of the partner MFIs.



**Detailed Stakeholders Feedback Sessions** – Ananya has started working on establishing effective communication channels that can help the institutional borrowers to continuously provide feedback on every aspect of the products and services offered by our organization.



**Resilient Knowledge Community** – Ananya has started working on a platform where we can share latest and updated knowledge on various aspects of organizational management, client management, financial management etc. in the development finance space. The idea here is to build a resilient knowledge community for effective knowledge sharing and decision-making.





# EMPLOYEE SATISFACTION

Ananya's impact starts with its people. We have always thrived to establish a conducive work culture for our employees. The first step towards our SPM journey was to assess our employees satisfaction regarding the work culture, work-life balance, compensation etc. The employee satisfaction survey conducted in 2021 is an attempt by Ananya to comprehend, assess and establish best People and Culture practices for our employees.







# EMPLOYEE SATISFACTION

Ananya's employees are the first point of contact to understand the organisation's impact. Employee satisfaction survey (ESS) remains at the core of impact assessment at Ananya. The ESS conducted in the year 2021 comprises of the questions that helped us understand the impact of Ananya on its employees. The

findings of the survey were categorized in three areas i.e. attitude towards employee personal development and growth, work culture and environment, and human resource policy and practice. Refer to the **Annexure 6** for the methodology of ESS calculation.

## Attitude Towards Employee Personal Development and Growth



Mission and Vision Awareness



Institutional Awareness



Recognition at Work



Provision of Opportunity



Dignity at Work



Equality at Workplace



Self Actualization with Work



Overall Section Score



Ananya has received 80% and above in most of the parameters concerning attitude towards employee personal development and growth. However, we have observed a slight gap in the equality at workplace for both male and female employees and the dignity at work for female employees. We have initiated a detailed discourse with the employees on these parameters. Moreover, we have commenced the revision of our HR policy to introduce conducive workplace environment concerning equality and dignity with special focus on our female employees.



# EMPLOYEE SATISFACTION



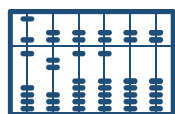
## WORK CULTURE, NETWORKING AND ENVIRONMENT



Feedback Based Relationships



Empathetic Management Attitude



Grievance Redressal Mechanism



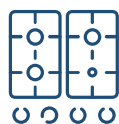
Ease of Communication



Team Bonding and Trust



Team Culture and Coordination



Flexibility at Work



Safety at Work



Overall Section Score



Ananya has received 80% and above in most of the parameters concerning work culture, networking and environment. However, we have observed a slight gap in the grievance redressal, and flexibility for female employees. We are in the process of redesigning our flexible work policies and mechanisms to address employee grievances with special focus on female employees.



# EMPLOYEE SATISFACTION



## Human Resource Policy and Practice at Workplace



HR Policy Awareness



Training and Development



Recruitment and Selection Policy



Practice of Work-Life Balance



Leave and Attendance Policy



Exit Policies for Employees Exit



Employee Code of Conduct



Compensation and Appraisal Policy

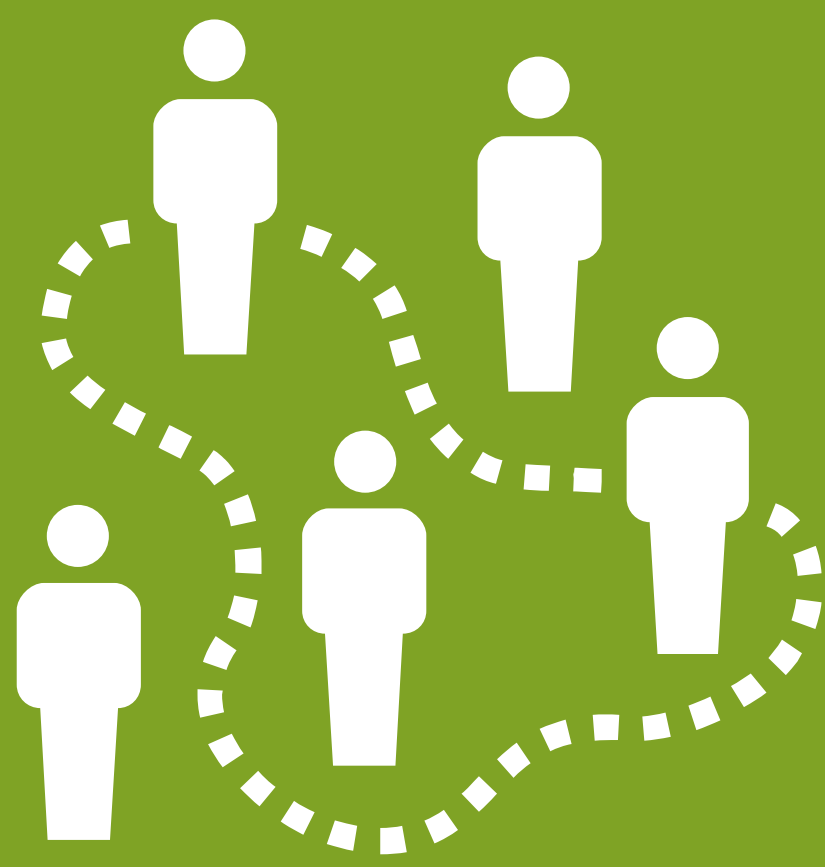


Overall Section Score



Ananya has received 80% and above in most of the parameters concerning HR policies and practice at the workplace. However, we have observed a gap in the compensation and exit policies for employees. We have designed a pay parity calculator to reevaluate the compensation offered at Ananya. Moreover, we are in the process of introducing conducive exit policies for our employees in terms of notice period and formalities etc.





# CSR ACTIVITIES

Ananya being an impact lender has contributed to the development of underprivileged in the most socio-economic sense. Ananya's CSR follows similar path for creating better economic propositions for the society. Hence, we invested our CSR funds in women empowerment activities realized through skill and entrepreneurship development. We had FWWB as our implementing partner for the CSR programme.







## Nurturing Women Entrepreneurs through Training and Skill Development



We, at Ananya, have always been cognizant of our responsibilities as a corporate citizen. This reflects in our choice of sectors that we serve through our financial products and services – microfinance, agriculture and impact MSMEs. We believe that integrating social, environmental and ethical responsibilities into the governance of businesses ensures long term success, competitiveness and sustainability.

While contemplating the activity for CSR, we wanted to contribute to an activity that could become sustainable and helps us establish a self sustaining model. This would not only ensure that we gain expertise in the activity but would also ensure sustainability of our interventions. We chose to work in the area of nurturing women entrepreneurship. In the FY 2020-21,

Ananya undertook its CSR activity for nurturing women entrepreneurship with the help of FWWB. However, COVID-19 pandemic in 2020 affected our prospects to fulfill all our CSR obligations. Hence, our implementing partner FWWB, conducted our CSR activity in the year 2020-21 and extended it in the financial year 2021-22.

Our CSR project targeted women between the age group of 18-55 who are socio-economically disadvantaged and represent low-income households in rural and semi-urban areas. We reached 135 such beneficiaries including women in urban, semi urban and rural areas who are engaged in livelihood activities in the district of Gandhinagar, Gujarat. The project aimed at nurturing women entrepreneurship by enhancing their business and livelihood skills.



# CSR ACTIVITIES



## Our CSR in Numbers



135

Women Impacted  
with the project



10,00,000

INR Spent on  
CSR Activities



55

Enterprises  
Served

### Programme Partner



Friends of Women World Banking (FWWB) was promoted in 1981, as an affiliate of Women's World Banking, a global network created to focus on the need for women's direct access to financial services and recognizing women's role in building a nation's economy. Its aim has been to promote direct participation of poor women in the economy through access to financial services. FWWB was created to extend and expand informal credit supports and networks within India to link them to a global movement

## Case Studies

### Sukhadiya Sonal Rajnibhai

Sonal ben represents a rural household at the Randheja Village in Gujarat. She lives with her husband and two children. She is engaged in the snacks business at her own shop where she helps her husband. Her main work in this business is to make snacks and package them.

She lacked the skills of unit costing and record keeping. She participated in our CSR training programme to enhance these skills in her business. She has been trained on financial literacy, business management and business plan development.

#### PROGRAMME IMPACT

- Started using digital payment platforms
- Maintains regular business records
- Developed self confidence in expanding the business
- Developed leadership skill and employed people
- Motivated other women in the community

#### FUTURE ASPIRATIONS

She aspired to open another shop in the city market where she can independently manage the business and employ more women in her business.

Occupation: Snacks Making

Age: 49 Years

Place: Randheja – Gandhinagar, Gujarat





# CSR ACTIVITIES



## Pandya Shivani Nikunj Kumar

Shivani Ben represents a humble household in the Randheja Village of Gujarat. She lives with her parents. Her family income is not sufficient to meet the daily expenses. She is engaged in the tailoring business wherein she makes designer blouse, dresses, and

other women apparels. She is engaged in a home-based business. She has good expertise in designing clothes though lacks business acumen to standardize rates and brand her work. She enrolled in the programme to learn digital marketing practices.

### PROGRAMME IMPACT

- Marketing through social media platforms
- Digital payment platforms for business transactions
- Timely innovation in products through internet research
- Better communication and negotiation skills
- Self confidence and leadership development

### FUTURE ASPIRATIONS

She aspired to enhance her business on a good scale and sell clothes online. She wants to start her own classes on the design tailoring work for other women.

Occupation: Tailoring

Age: 20 Years

Place: Randheja – Gandhinagar, Gujarat



## Patel Pooja Vishalbhai

Pooja Ben represents a small household in the Randheja Village of Gujarat. She lives in a joint family with her husband, kid, and in-laws. Agarbatti Making is her family business wherein her major task is to make the sticks for the Agarbatti.

She has good skills in making incense sticks, but she was unaware of the unit price costing, profit margins, record keeping, and marketing through social media. Hence she participated in training to develop these skills and run an independent business.

### PROGRAMME IMPACT

- Marketing through social media platforms
- Digital payment platforms for business transactions
- Different types of packaging and design

### FUTURE ASPIRATIONS

She aspires to start an independent business with her name and employ more women from her village.

Occupation: Incense Stick Making

Age: 22 Years

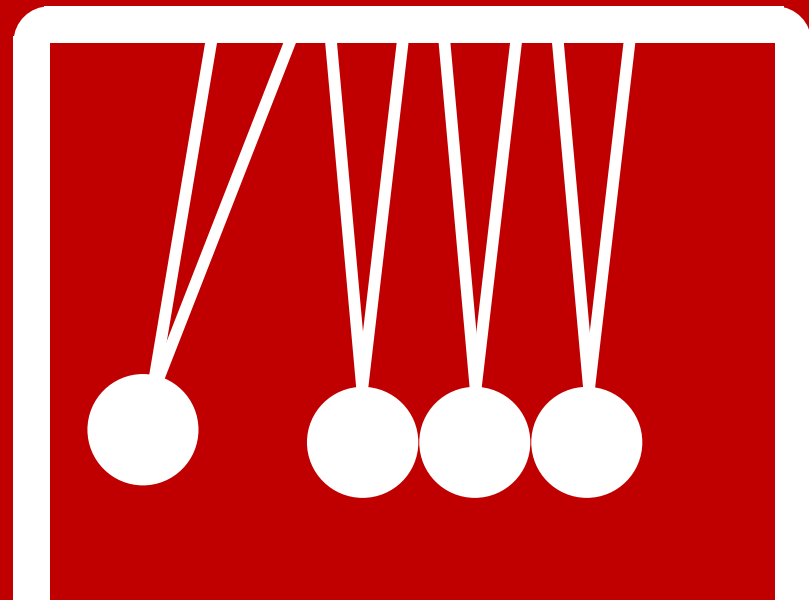
Place: Randheja – Gandhinagar, Gujarat







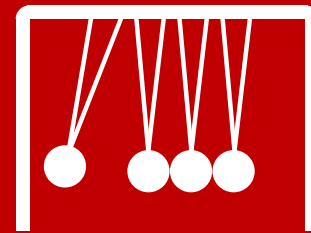
# CAPACITY BUILDING PROGRAMME



Understanding, comprehending and addressing gaps have been a priority at Ananya. **Hence, the organisation has decided to strategically prioritize few actionable activities for better SPM monitoring and management.** These activities outline our aspirations as an established and coming-age impact lender in the microfinance space.



# CAPACITY BUILDING PROGRAMME



Ananya is amongst the few impact lenders in India who offers capacity building and technical support to its partner institutions along with financial services. We have been involved in various capacity building programmes as implementation agency and technical partner. Our role in these programmes focusses on enhancing the economic prospects of various underprivileged and underserved communities. We

aim to empower institutions and communities in building financial capabilities for resilient livelihoods and socio-economic development. Being a proactive impact lender, we firmly believe that our technical capacity building efforts make these communities more receptive to financial services enabling them with enhanced economic productivity. Our capacity building initiatives are presented in this section:

## Jharkhand Opportunity for Harnessing Rural Growth (JOHAR)

JOHAR is a project started by The World Bank along with the Jharkhand State Livelihood Promotion Society (JSLPS) in 2017 in 68 blocks of 17 districts of Jharkhand, India. The development objective of the project is to enhance and diversify household income in selected farm and non-farm sectors for targeted beneficiaries in rural areas. The project intended to conclude in December, 2021 witnessed Ananya's engagement as one of the Technical Support Agencies for enhancing creditworthiness of the Producer Groups (PGs) and Producer Companies (PCs) by way of imparting trainings, streamlining book keeping, helping adherence to regulatory compliance & supporting financial reporting & analysis.

The project has emerged as a pioneer in enabling tribal communities to be an integral stakeholder in development by ensuring availability, accessibility and utilization of natural resources for agricultural development. JOHAR supports 200,000+ small and marginal farmers in primarily rainfed, backward, drought prone, upland and tribal areas of Jharkhand. The project fosters community ownership from the onset of project conception, to survey and implementation, right through to operations and maintenance. Ananya's role in JOHAR has enabled conducive financial possibilities for the FPCs and PGs to engage in data driven decision making and

## IMPACT AND OUTREACH



**3,802**

Producer Groups impacted in the project.



**19**

FPOs impacted in the project.

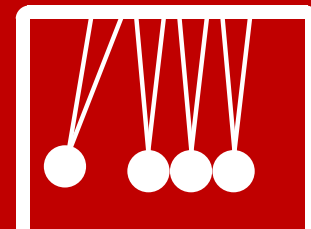


**2,20,329**

Households impacted in the project



# CAPACITY BUILDING PROGRAMME



## PREVIOUS PROGRAMMES

### Skill and Enterprise Development Project

Skill and Enterprise Development Project (SEDP) was a programme run by Ananya in collaboration with SIDBI and Department for International Development (DFID). The programme focused on capacity building of 12 smaller MFIs in the areas of Internal controls, HR systems, and Governance. Additionally, SEDP programme also reached out to 2,00,000 women to enhance the financial literacy of women micro-borrowers through mobile based IVR. In the programme we imparted entrepreneurship training

to 5,239 women and skill training to 4,289 women. The women trained have been able to start their enterprises and contribute to household income. We facilitated partnership with 7 MFI partners to create a team of 45 Master Trainers who conducted the skill and enterprise development training for women borrowers. The programme was carried out in the most backward districts of India.

#### IMPACT AND OUTREACH



**2,00,000**

Women borrowers reached



**4,289**

Women equipped with skill training



**5,239**

Women trained in entrepreneurship

### Capacity Building Programme for FPCs

Ananya conducted a capacity building programme in collaboration with International Finance Corporation. In the programme, we provided training to Farmer Producer Companies (FPCs) in governance, financial management, book keeping, risk management, insurance covering. The capacity building programme entailed an impact on 53 FPCs, 7 Resource

Institutions (RIs) and 366 participants (Farmers Directors, staffs, VRPs) who participated in the same. After the programme, 12 FPCs were appointed Micro Insurance Agents. Moreover, 2000 micro-insurance policies issued to help poor households tide over financial shocks.

#### IMPACT AND OUTREACH



**53**

Farmer Producer Companies Impacted



**366**

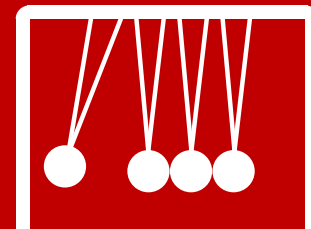
Participants representing FPCs



**2,000**

Micro Insurance Policies Issued





# CAPACITY BUILDING PROGRAMME

## PREVIOUS PROGRAMMES

### USAID- Rabobank Foundation Project

In collaboration with USAID and Rabobank foundation, Ananya commenced a project to offer financial services for environment driven ventures. In the project, we were able to create Loan Portfolio Guarantee support, to the extent of 51%, on the loans which have positive impact on forestry and sustainable landscapes. Moreover, we were successful in facilitating the prospects of having agro-forestry and sustainable landscapes portfolio aggregating to USD 3 million. In the project, we

offered financial services of Rs. 4.9 Crores to 3 green and impact enterprises.

### IMPACT AND OUTREACH



**51%**  
Of funds had positive impact on forestry



**22.49 Crores**  
INR Agroforestry and sustainability portfolio facilitated



**4.9 Crores**  
INR disbursed to 3 green enterprises

## OUR FUTURE PRIORITIES

Ananya is committed to serve the underserved population of the country. Hence, we continue to foster collaborations with development institutions to empower the vulnerable communities and institutions with technical support and capacity building programmes. We are actively looking for institutions across the world who wish to create an

impact portfolio in India with special focus on sustainable development in remote geographies. Our experience in practicing a multi-faceted approach towards financial inclusion and sustainable development can greatly help institutions across the world to develop sustainable impact portfolio in India enabling financial inclusion of the poorest.

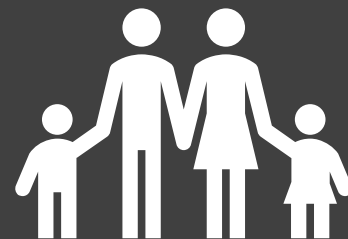




# COVID-19

The COVID-19 pandemic drew massive impediments to the whole world and especially to the microfinance sector. The MFIs and allied institutions witnessed an unwelcomed halt in the field operations. Being a responsible NBFC, Ananya realized the hardships faced by the borrowing institutions. We quickly calibrated a strategy to support our borrowing institutions and offered them financial and mentorship support during and post COVID. We also participated in the relief work by providing support packages to the affected people.





While India's microfinance sector has set up a good foundation for itself as a viable model for financial inclusion, its supportability has been tried consistently, particularly in the recent years. In 2020, the lockdown required by the spread of COVID-19 halted almost 90% of the businesses, aside from fundamental services. The most noticed effects were seen in undertakings with practically no reserves and high liquidity turnover operations, which was the situation for small and medium enterprises. This, thusly, affected their financial providers with repayments.

Prior to the lockdown, numerous MFIs actually relied upon actual communications with clients, and in-person disbursements and payment. Their liquidity structure additionally relied heavily upon consistent sources of income from i.e. clients repayments. At the point when these MFIs confronted a closure in operations and payments because of limitations on mobility in the early months of the pandemic, the impact was pulverizing. The Covid-19 pandemic has hit the world hard, affecting delicate economies specifically, and approaching the whole microfinance area to act in a responsible manner.

Ananya being a responsible impact lender quickly assessed the situation of its borrowing institutions and took necessary steps in aiding the MFIs, Agribusiness and MSMEs to combat the pandemic. We ensured that our organisation offered every feasible support needed by our borrowing MFIs. Here are few activities we implemented to help MFIs combat the COVID-19 pandemic:

## **Moratorium Policy**

We realized that the MFIs were not in position to pay the instalments. Hence, we immediately implemented the moratorium policy and relieved the borrowers to pay the principle amount. Moreover, **we provided the moratorium to the MFIs, Agribusiness and MSMEs for up to five months extending the relief beyond the initial lockdown.**

# “We are as vulnerable as our clients.”

- Vijayalakshmi Das

## **Overdraft Facility**

In order to help pandemic affected MFIs survive the dwindled cash flows and financially empower them to survive the pandemic, we offered overdraft facility to the borrowing MFIs. We provided them with the required funds to help them manage their cash flows and maintain Asset Liability Management (ALM). We offered a **sum of Rs. 5.70 crores as overdraft facility to 8 MFIs during the pandemic.**

## **Bridge Based Consulting**

We realized that a lot of small MFIs with a limited strategic competency were not able to devise practices to handle the pandemic. Hence, we devised channels and practices to serve as a communication bridge between various MFIs. We provided them with best practices and coping strategies/experiences of other MFIs and also **consulted MFIs on various aspects of organisational management, human resource management, financial management and other activities.**

## **Other Initiatives**

We participated in other initiatives to aid the relief work for vulnerable communities by distributing relief kits comprising basic ration. **We distributed 250 ration kits for 250 families supporting them with ration supplies for two months during the pandemic.**

Our experiences from the lockdown made us realize the importance of collective action and cooperation that needs to be strengthened in the microfinance space.





# ABIT TOOL



At Ananya, we believe that the real insights come from one-on-one interactions with the end clients (borrowers). It is henceforth important to select the right tools and medium to initiate such interactions. In order to enhance our upbeat approach towards client interactions, our SPM and Internal Audit teams are collaboratively working on developing the **Ananya's Behavioural Intelligence Tool (ABIT)** for better monitoring and governance on the field. ABIT is a one of its kind interactive game based approach to understand and predict behavioural instincts of the client.







# ABIT TOOL

## End Client Monitoring



**Field Visits**

(Biannually and Sample Based (Specific Clients))

### THE GAP

A general end client monitoring mechanism adopted by institutions in the microfinance revolves around checklists and scheduled interviews. From our experience, we found the system to be a bit outdated. However, the mechanism is resourceful to a certain extent in collecting objective questions. But there is a need to establish an interactive system that can help the MFI institutions in exploring the behavioural aspects of the end client. Ananya is working on developing an interactive game based approach to uncover various facets of client's behavioural response to the activities concerning loans and allied services.



**Google Form as survey tool**

(Basic Loan related data filled by Loan Monitoring Managers)



**Document and Report Screening**  
(Analysis and Consulting)

**End Borrower's Survey**  
(Details concerning loan, process and strata)



**ABIT**  
**Behavioural Research**  
(Interpreting Behaviour)



ABIT (Ananya's Behavioural Intelligence Tool) is a human centered design thinking approach to predict the behaviour of end borrowers in relation to the dynamics of their life. The tool is an attempt to introduce behaviour based needs assessment, performance assessment, and other assessments of end borrowers concerning the loan financed. Post development, Ananya's ABIT is intended to solve problems like response manipulation, improper assessment of needs and demands, ineffective data collection and analysis etc on the field. The tool is currently in the development stage and is expected to be tested and ready by the first quarter of 2022-23.





# ANANYA'S ESG ASSESSMENT TOOL

Ananya has identified the gap in the standardized and robust Environment, Social and Governance (ESG) impact and compliance mechanism in the impact lending space. Hence, the SPM department in collaboration with other departments at Ananya and Gojo has initiated Ananya's ESG Tool (AESGT) Development. The tool is intended to serve as a benchmark for future ESG based impact assessment and compliance for institutions in microfinance/development finance space.





# ANANYA'S ESG ASSESSMENT TOOL

## OUR EXPERIENCE

Microfinance has been a revolution in the field of development finance. The sector has performed activities that talk about diverse prospects of sustainable development of the financially excluded population. The sector has experienced a huge uproar in terms of the diversification of activities and the associated impact. However, the sector suffers from a robust methodology to assess the impact it creates on the financially excluded population. The roadblocks of development due to lack of framework requires a holistic approach that can introduce transparency, accountability and a sustainable financial impact structure to the sector. For the same, it is crucial for the institutions in the sector to adopt impact assessment approaches that are globally relevant. ESG

(Environmental, Social and Governance) framework is one such approach that can increase the collective impact of the sector by bridging the impact knowledge gap between these institutions and potential investors across the world.

With that being said, the sector still lacks a scientific approach towards ESG Analysis and compliance. There are very few agencies who offer ESG assessment. But a unified and a standardized approach is absent from the scene. There is a need to develop a standardized ESG assessment tool that can enhance the impact prospects of these institutions and at the same time introduce more transparent and responsible business compliance in the sector.

## Ananya's ESG Assessment Tool (AESGAT)

Ananya being a proactive and responsible impact lender intends to not only benefit the end beneficiaries with its financial products and services but also impact the institutions in the sector. We are working on developing a standardized ESG Assessment Tool that can be used by institutions in the microfinance space to assess, understand and comply with globally relevant ESG

indicators. The tool will go through multiple validation checks and it is expected to be launched as a pilot project in October, 2022. The partner institutions of Ananya, institutional borrowers and other associated stakeholders will be enrolled in the project.

## HIGHLIGHTS OF AESGAT



Subscribe to Globally Relevant Frameworks like GRI etc.



Compatible with Diverse Set of Institutions like MFIs, NBFCs etc.



Validated by Industry Experts and Decision Scientists



Also Includes ESG based Portfolio Monitoring and Analysis





# CASE STUDIES

Ananya is all about the impact it creates on its stakeholders. The case studies presented in the report is an attempt to highlight **some of the borrowing institutions and their impact during the pandemic and post pandemic.** We have prepared case studies for 6 organisations comprising of MSMEs, FPCs, and MFIs. These institutions highlight the portfolio's diversity in terms of impact and outreach of Ananya.



# CASE STUDIES



**Mitrata Inclusive Financial Services Pvt. Ltd**

### IMPACT FOCUS

Mitrata aims at the economic upliftment of the poor and marginalized across all religions, castes and communities. Mitrata implements activities to provide marginalized households with easy access to financial services including access to credit and insurance.

**Domain: Microfinance**

### ABOUT Mitrata

Mitrata Inclusive Financial Services Pvt. Ltd. (Mitrata), formerly known as Sona Finance Pvt. Ltd. is a NBFC-MFI, providing credit facility to the marginalized, excluded and vulnerable groups for enterprise development and other essential needs.

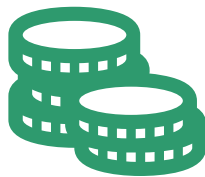
Majority of the beneficiary households supported by Mitrata belong to the marginalized groups including religious minorities, Dalits, marginalized farmers, daily wage workers, very small self-employed vendors, rickshaw pullers, primary producers such as brass workers, weavers & other artisans.

100% of Mitrata clients comprise of women. We work with marginalized and vulnerable women living mainly in rural areas of India whose annual household income is less than Rs 125,000 in case of rural and less than Rs 200,000 in case of semi-urban.

The client households are mostly engaged in income generation activities in agriculture, livestock, small businesses and shops, transportation, handicraft and sectors. The financial support provided to women is aimed at bringing about economic empowerment in their lives.



**75,035**  
Borrowers served by  
Mitrata in 20-21



**3.00 Crores**  
INR Disbursed by  
Ananya in 20-21







# CASE STUDIES



## Aceworx Synergistic Agribusiness Networks

### IMPACT FOCUS

Aceworx aims to address the issue of ‘missing middle’ that has been hampering sustainable agri-food systems for long. It leverages the respective strengths and contributions (competencies, resources, investment, cooperation etc.) of key actors and stakeholders to catalyze virtuous value chains which foster win-win outcomes.

**Domain:** Agri and Allied Business

### ABOUT ACEWORX

AceWorx offers middleware solutions such as marketplaces, supply chain services, financing, technological systems and multi-stakeholder networks. These solutions address the ‘missing middle’ and unlock higher value for customers and producers.

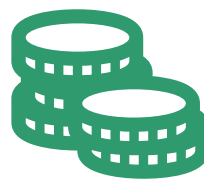
Existing market systems for sustainable agri-food do not allow conscious buyers and responsible producers to derive value from each other’s sustainability preferences and efforts. Aceworx is working to change this through its middleware solutions (marketplaces, supply chain services, financing, technological systems, multi-

stakeholder networks). These not only enable a wide range of choice to producers (and supporting stakeholders) in terms of responsible agri-food production and supply chain systems but also deliver a suite of options for conscious buyers to choose from, based on their sustainability preferences and sensibilities.

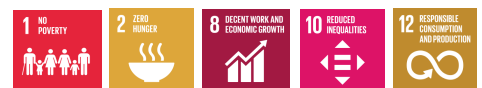
Through marketplaces, financing, supply chain services, technological systems and multi stakeholder networks, the organisation intends to bring in the missing middleware thus acting as a much needed bridge in the Agri-Food ecosystem.



**5,000+**  
Farmers served by  
Aceworx in 20-21



**1.41 Crores**  
INR Disbursed by  
Ananya in 20-21





# CASE STUDIES



**Uttrayan Financial Services Pvt. Ltd**

**IMPACT FOCUS**  
 Uttrayan aims at providing livelihood promotion services comprising of livelihood and other Micro financial services to those population segments which are mostly un-reached by the formal banking systems with the principal purpose of promoting sustainable livelihoods.

**Domain: Microfinance**

## ABOUT UTTRAYAN

Uttrayan Financial Services Private Limited is a Non Banking Financial Company (NBFC-MFI) registered under Reserve Bank of India(RBI). Uttrayan started its microfinance on-lending operation in 2021 by providing small ticket size loan to the poor woman in rural and semi-urban area through group based system.

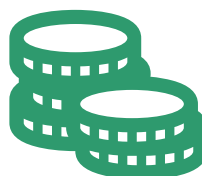
Uttrayan provides livelihood promotion services comprising of livelihood and other Micro financial services to those population segments which are mostly un-reached by the formal banking systems with the principal

purpose of promoting sustainable livelihoods.

Uttrayan is now working with 87 branches spread over nine districts of West Bengal, and seven districts in the state of Assam, six districts in the state of Bihar, one district in the state of Meghalaya, nine districts in the state of Orissa, two districts in the state of Sikkim, two districts in the state of Uttrakhand and two districts in the state of Punjab, India, where they are providing services to more than 1,00,000 clients to make their way out of the poverty.



**1,21,337**  
**Borrowers served by**  
**Uttrayan in 20-21**



**5.00 Crores**  
**INR Disbursed by**  
**Ananya in 20-21**



**UTTRAYAN**  
 path towards prosperity





# CASE STUDIES



**Kutch Fish Producer Company Ltd.**

## IMPACT FOCUS

KFPCL aims to empower the vulnerable fisherman community of Kutch, Gujarat with appropriate information, better market access and other socio-economic support.

**Domain: Fisheries and Producer Collectives**

## ABOUT KFPCL

Kutch Fish Producer Company Ltd. (KFPCL) was incepted in the 2008 as a small informal group of fisherman in Kutch district of Gujarat. The group realized the struggle of the fishermen in the region concerning market access, income inequalities, regional social-economic differences and much more.

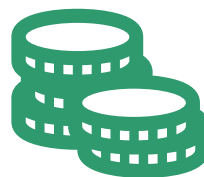
The battle to combat the atrocities faced by the fishermen community of the Kutch by KFPCL trajected the group to get registered as a producer company in 2013. Since, then the company has expanded in terms of members and

business. Moreover, the company was not only able to organize the unorganized fishermen community but also eliminate the traders who exploited these fishermen. The producer company also aids the fishermen in understanding and participating in governance like Panchayat meeting and avail all the relevant Govt. schemes available for them.

The producer company aspired to become a central point of communication and business for all the fishermen in Kutch and other districts of Gujarat.



**526+**  
Fishermen served by  
KFPCL in FY 20-21



**90.00 Lakhs**  
INR Disbursed by  
Ananya in FY 20-21



**Kutch Fish**  
Producer Co. Ltd.







# CASE STUDIES



Saahas Zero Waste Pvt. Ltd.

### IMPACT FOCUS

Saahas aims to create a zero waste circular economy by bringing together nature, people and technology to provide the most impactful waste management solutions that maximize resource recovery

Domain: Waste Management and Recycling

### ABOUT SAAHAS

Saahas Zero Waste is a socio-environmental enterprise with 17 years of experience in waste management & resource recovery. Saahas provide end-to-end waste management services based on the principles of circular economy. Saahas handles waste sustainably & responsibly for MNCs, tech parks, residential communities and other bulk generating organizations and institutions.

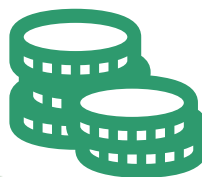
It is well known that certified green buildings fall short with respect to implementation of resource recovery and waste management. A building could get a platinum rating

with only a simple segregation system in place.

In 2020, Saahas therefore celebrated the emergence of the True Zero Certification from the Green Business Certification Inc. Saahas has been able to not only serve the development sector by managing waste but also generating employment. Saahas impacted 1500+ indirect livelihoods and has supported 213 direct job holders in the year 2020-21. Saahas was instrumental in serving 100+ clients and managing 25000+ MT of waste in the year 2020-21.



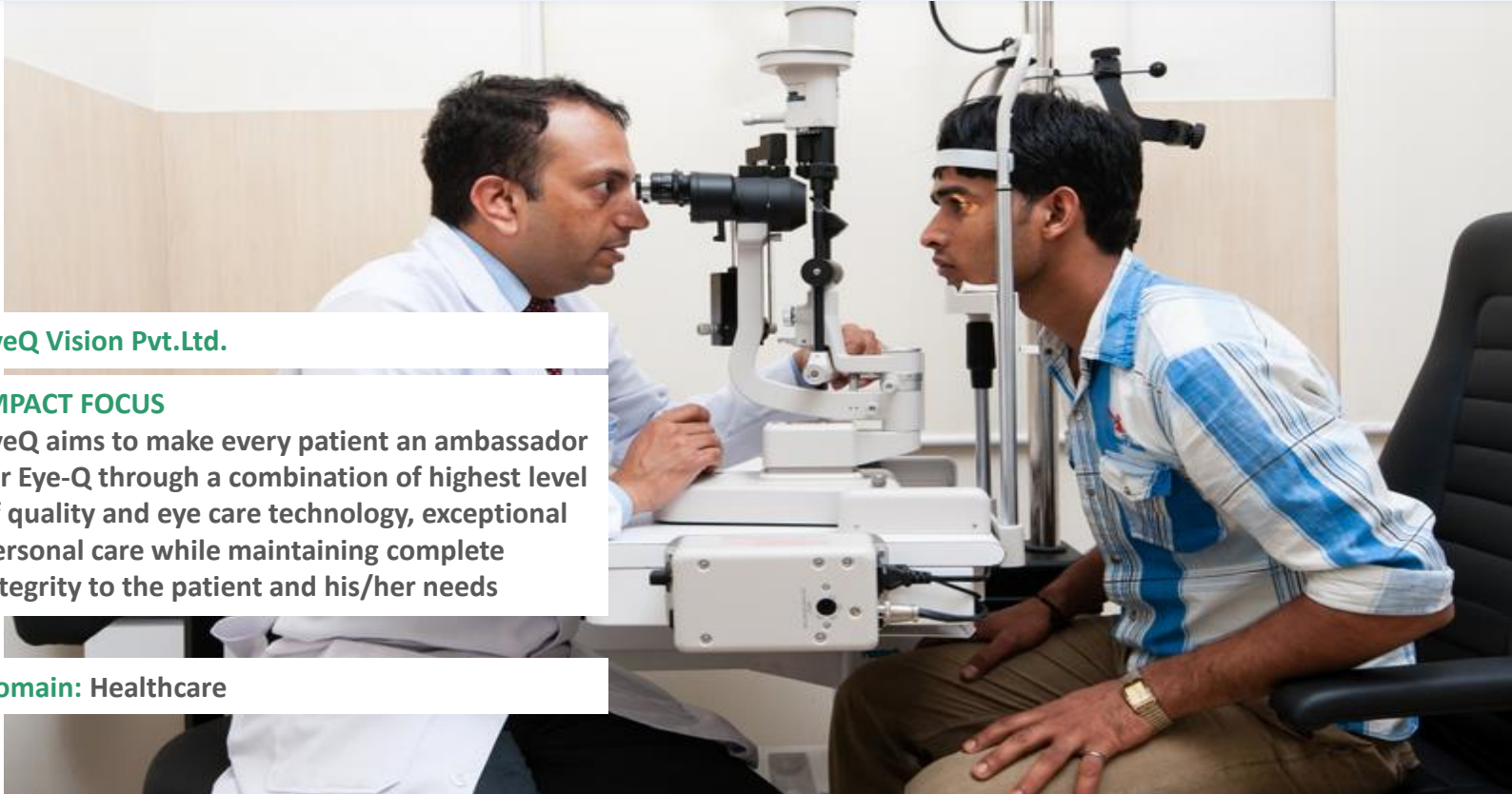
**63,356 MT+**  
of Co2 emission  
Reduced in FY 20-21



**1.00 Crores**  
INR Disbursed by  
Ananya in FY 20-21



# CASE STUDIES



**EyeQ Vision Pvt.Ltd.**

## IMPACT FOCUS

EyeQ aims to make every patient an ambassador for Eye-Q through a combination of highest level of quality and eye care technology, exceptional personal care while maintaining complete integrity to the patient and his/her needs

**Domain: Healthcare**

## ABOUT EyeQ Hospital

The EyeQ hospital chain is committed to providing best quality eye care at affordable cost across India. EyeQ ISO 9001-2015 registered organization operating under the experienced leadership in healthcare.

Established in 2007, EyeQ is today a chain of 36 super specialty eye hospitals with centers in Delhi-NCR, Haryana, Uttar Pradesh, Uttarakhand and Gujarat. It has recently extended its services in Maharashtra and is soon going to launch its operations in Africa with a center in Lagos,

Nigeria.

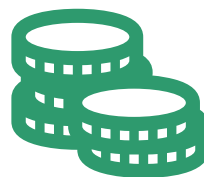
EyeQ has a team of 48+ doctors in India with a focus on multi-specialty eye care services. The hospital has been able to serve 2,60,000 patients in 2020-21 and aspires to open hospitals across India.

They attempt to introduce more technology oriented eye care services and promote good health and well-being in the healthcare space. The institution serves as a model for introducing healthcare services targeted with a specific set of patients and problems associated with them.



**2,60,000**

**Patients served by EyeQ  
in FY 20-21**



**1.50 Crores**

**INR Disbursed by  
Ananya in FY 20-21**



# ANNEXURE

## Annexure 1: SPI 4 Audit Methodology

The SPI4 audit tool is developed for MFIs who are conducting their operations directly with the end borrowers. Ananya being an NBFIs had a lot of impediments while conducting the SPI4 audit. Out of 6 dimensions, our external and internal auditors were easily able to assess Ananya's social performance on 4 dimensions that dealt with social goals, monitoring goals, commitment, employee treatment and balancing financial and social performance. However, the gaps in the audit were identified in dimensions 3 and 4 that dealt with end clients and clients in general. Hence, the SPI4 auditors designed a hybrid methodology for conducting the SPI4 audit for Ananya. The method was also appraised by Cerise due to its potency in producing the most accurate outcomes.

For Dimension 1 (Define and Monitor Social Goals), Dimension 2 (Commitment to Social Goals), Dimension 5 (Treat Employees Responsibly), and Dimension 6 (Balance Financial and Social Performance) the following methodology was used:



For Dimension 3 (Designing Products that Meets Client's Needs), and Dimension 4 (Treating Client Responsibly), the following methodology was used:





# ANNEXURE

## Calculation of Scores for Dimension 3 and 4:

The weights were assigned to the scores of social performance of Ananya in Agrifinance, microfinance lending, MSME lending and the scores of 10 partner MFIs. The weights were calculated based on the proportion of outstanding in each category and partner MFIs. It can be understood as follows:

$$S: (M_a * 0.25) + (AM_a * 0.25) + (P_a * 0.5)$$

**S:** Total score for each dimension

**M<sub>a</sub>**=Total Scores of Ananya in MFI B2B lending

**AM<sub>a</sub>**=Total Scores of Ananya in Agri-MSME B2B lending

**P<sub>a</sub>**=Total Scores of Ananya's partner MFIs who took loans from Ananya and lend on behalf of Ananya to end borrowers.



The final summary report, audit report and action plan based on the scores of Ananya in SPI 4 audit on all dimensions,

**Stage 3: Final Audit Report, Summary Report and Action Plan**



Cerise Review and Validation of Data with Revision and Review with Finalization of Audit Results

**Stage 4: Cerise Review and Final Audit Results**

## Validation of Report

The audit has gone through rigorous evaluation through 3 stages of screening. In the first stage the review of audit was done by the internal auditor at Ananya. In the second stage, the audit was reviewed and revised by the two external auditors from the Gojo and Co. In the third stage, the review was done by a representative from the Cerise.

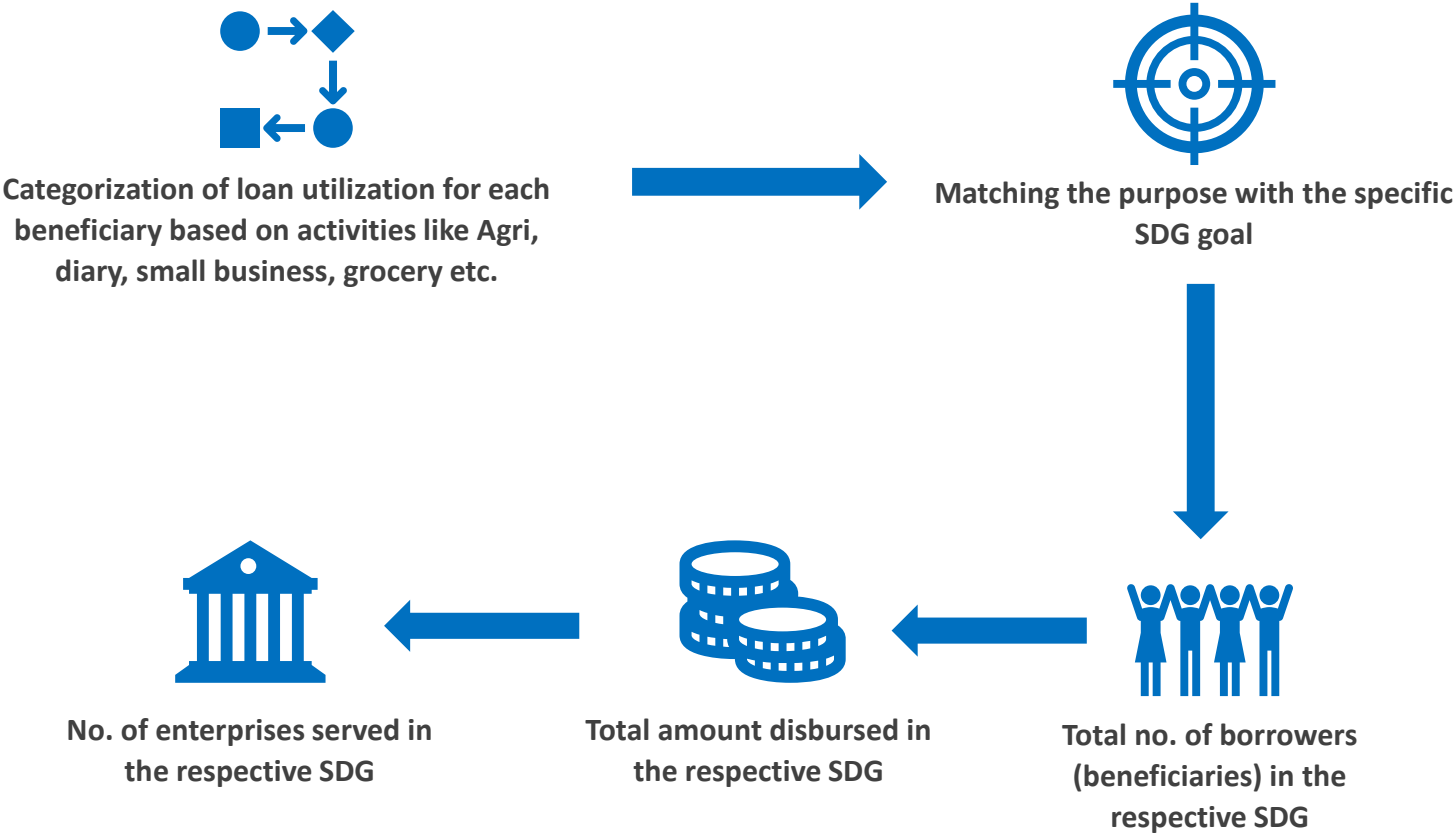
Moreover, the accuracy of the audit has been kept under check through adopting statistical tools for analysing the results for various dimensions. The proportions assigned to each category/domain catered by Ananya has been done to prepare an outcome that can be evenly distributed to the complete portfolio of Ananya.



# ANNEXURE

## Annexure 2: SDG Based Portfolio Assessment Methodology

The SDG based portfolio assessment has been based on the utilization of loans by each end borrower of Ananya in the MFI domain and institutional borrowers in Agri/MSME domain. The methodology for calculating SDG based portfolio of Ananya can be understood as follows:



**Amount Calculation:** The amount allocated for each SDG can be overlapping in nature. Considering the end utilization of the loans, there are livelihoods that serve more than one SDG. The amount thus can be recurring in other SDGs. Hence, the total amount calculated for all the SDGs is neither cumulative or an indicative of the summation representing the total disbursements made in 2020-21.



# ANNEXURE

## Annexure 3: Sectoral Inclusion Assessment

Poverty assessment or sectoral inclusion assessment is done by Ananya to keep a track of the no. of beneficiaries served under various economic strata's in the society. The methodology adopted for the calculation of sectoral inclusion is categorized in two halves explained as below:

### 3.1 Govt. of India Based Assessment

Govt. of India based assessment accounts of the GOI income section developed by the government for providing schemes and other services to the underprivileged section of the society. Here, we took two categories i.e. Economic Weaker Section (EWS) and Low Income Group (LIG) for assessment of our sectoral inclusion effort. The formula is as follows:

#### For Economically Weaker Section (EWS) Category

##### Higher Ticket Size Loans

$$P: n_h/N$$

**P:** Percent of our borrowers in the EWS category  
**n<sub>h</sub>**=Total no. of borrowers with household income less than Rs. 3,00,000 per annum and loan amount upto Rs. 1,00,000

**N**=Total no. of borrowers

#### For Lower Income Group (LIG) Category

##### Higher Ticket Size Loans

$$P: n_{hl}/N$$

**P:** Percent of our borrowers in the EWS category  
**n<sub>hl</sub>**=Total no. of borrowers with household income less than Rs. 6,00,000 per annum and loan amount upto Rs. 1,00,000

**N**=Total no. of borrowers

##### Only Microfinance Loans

$$P: n_m/N$$

**P:** Percent of our borrowers in the EWS category  
**n<sub>m</sub>**=Total no. of borrowers with household income less than Rs. 3,00,000 per annum and loan amount upto Rs. 50,000

**N**=Total no. of borrowers (excl. HTEL borrowers)

##### Only Microfinance Loans

$$P: n_{ml}/N$$

**P:** Percent of our borrowers in the EWS category  
**n<sub>ml</sub>**=Total no. of borrowers with household income less than Rs. 6,00,000 per annum and loan amount upto Rs. 50,000

**N**=Total no. of borrowers (excl. HTEL borrowers)

### 3.2 World Bank International Poverty Line Based Assessment

The World Bank international poverty line assessment accounts for categorizing people in three income groups based on the purchase power parity. The group that has been analysed for our portfolio are representative of groups earning \$5.50 per day and \$3.20 per day. The formula for calculating the same is as follows:

$$M: M_a/PPP_c/D/H_m$$

**M:** Final income of borrower as per world bank poverty line

**M<sub>a</sub>**=Annual Income of a Household

**PPP<sub>c</sub>**=Purchase Power Parity Conversion Factor for 2020 (PPP<sub>c</sub> =21.197)

**D**=Number of day in a year (D=365)

**H<sub>m</sub>**=Average number of members in a household. (H<sub>m</sub> =5)

The borrowers were then divided as per their income per day (M) and categorized into various income groups. The ticket size loans followed the same upper limit of loans similar to the Govt. of India based assessment.



# ANNEXURE

## Annexure 4: Indexing Portfolio Diversity

### 4.1: Simpson Akin Portfolio Diversity Index

Simpson's Diversity Index is a measure of diversity. In ecology, it is often used to quantify the biodiversity of a habitat. It takes into account the number of species present, as well as the abundance of each species. The value of this index also ranges between 0 and 1, the greater the value, the greater the sample diversity. This makes more sense. In this case, the index represents the probability that two individuals randomly selected from a sample will belong to different species. The index is considered a method to assess abundance of species in an ecosystem. In the microfinance space, the species can be understood as number of borrowers in a particular geography or practicing a form of livelihood. The formula utilized for calculating the Simpson akin Portfolio Diversity Index for Ananya's portfolio is as follows:

$$1 - \sum_{i=1}^k \frac{n_i(n_i - 1)}{n(n - 1)}$$

Simpson Based Portfolio Diversity Index

#### For Geographical Portfolio Diversity Index,

**N= Total number of borrowers in all the states**

**N<sub>i</sub> = The number of borrowers in a particular state**

In the calculation of geographical diversity index, we considered the no. of borrowers in each state to understand the density of each state and total number of borrowers to understand the overall density of our portfolio in all the states. There were a total of 28 states and 43,809 borrowers considered for the calculation. The data was obtained from the local utilization certificate submitted by our institutional borrowers for the financial year 2020-21.

#### For Livelihood Portfolio Diversity Index,

**N= Total number of borrowers in engaged in all livelihood activities financed by Ananya**

**N<sub>i</sub> = The number of borrowers in a particular livelihood**

In the calculation of livelihood diversity index, we considered the no. of borrowers in engaged in specific livelihood activity to understand the density of each livelihood and total number of borrowers in all the livelihood activities combined to understand the overall density of our portfolio. There were a total of 576 livelihood activities and 43,809 borrowers considered for the calculation. The data was obtained from the local utilization certificate submitted by our institutional borrowers for the financial year 2020-21.





# ANNEXURE

## Annexure 4.2: Shannon Akin Portfolio Diversity Index

The Shannon diversity index (H) is another index that is commonly used to characterize species diversity in a community. Like Simpson's index, Shannon's index accounts for both abundance and evenness of the species present. The Shannon Equitability Index is calculated to account for evenness/equitability of the species as compared to other species in the ecosystem. In the case of Ananya, we derived the same equation to do an absolute analysis of our portfolio. The number of species were considered as the no. of borrowers in each state and representing specific livelihood activity. The overall calculation was compared to the strategic social target set by Ananya for reaching 3 million borrowers by the year 2035.

$$H' = - \sum_{i=1} p_i \ln p_i$$

### Shannon based Portfolio Diversity Index

#### For Geographical Diversity Index,

$P_i$  = The proportion of borrowers of a particular state

$\ln P_i$  = The natural log of borrowers of a particular state

In the calculation of geographical diversity index, we considered the proportion of no. of borrowers in each state and natural log no. of borrowers a particular the state. Then the whole calculation was summated to understand the diversity in the complete portfolio. There were a total of 28 states and 43,809 borrowers considered for the calculation. The data was obtained from the local utilization certificate submitted by our institutional borrowers for the financial year 2020-21.

#### For Livelihood Diversity Index,

$P_i$  = The proportion of borrowers engaged in specific livelihood activities financed by Ananya

$\ln P_i$  = The natural log of borrowers engaged in a particular livelihood finance by Ananya

In the calculation of livelihood diversity index, we considered the proportion of no. of borrowers engaged in specific livelihood activity and natural log of no. of borrowers in specific livelihood activities. Then the whole output was summated to derive the diversity in the complete portfolio. There were a total of 576 livelihood activities and 43,809 borrowers considered for the calculation. The data was obtained from the local utilization certificate submitted by our institutional borrowers for the financial year 2020-21.

#### For Portfolio Equitability Index Akin to Shannon Equitability Index

H = The diversity index calculated for each portfolio type

Hmax = The maximum diversity index derived from outreach targets set by Ananya

LnS: Natural Log of total borrowers present in the portfolio

In the calculation of Portfolio Equitability index, we considered the strategic social target of Ananya to reach 3 million borrowers by the year 2035. The borrowers were then divided based on the weighted values of Human Development Index, Population of the state and NSDP per capita of the state. The same was done to ensure that Ananya's maintains the borrowers base in the states with low HDI, low NSDP and maximum population. Then a prospective number of borrowers in each state was considered for each category was considered for the calculation of Hmax which was then compared to the H obtained from earlier equation. The final value was between 0 and 1.



# ANNEXURE

In order to understand the equitability in our portfolio diversity, we divided our yearly target borrowers ( $N_t=1,33,334$ ) into various states of India based on three indicators, Human Development Index, NSDP Per Capita, and Population of the state. These three indicators were ranked and all 3 were provided with equal weights of .33. Post it, the target borrowers ( $N_t=133,334$ ) were divided between states based on the final rank of each state. The state with lower HDI, higher population and lower NSDP were given higher rank (more priority and share of borrowers). The formula can be understood as follows:

$$E_H = \frac{H}{H_{max}} = \frac{H}{\ln S} \qquad H_{max} = - \sum_{e=1} p_e \ln p_e$$

## Ananya's Portfolio Equitability Index

### Annexure 5: Client Satisfaction Survey

Ananya conducted a client satisfaction survey for its institutional borrowers representing MFI borrowers and Agri/MSME borrowers. In the survey, we asked the institutions to rate Ananya on different parameters on a scale of 1 to 5 where 1 being highly dissatisfied and 5 being highly satisfied. Post data collection, the scores were converted to overall client satisfaction for each client on each indicator. Post it, the overall scores from all the clients were converted to total percent of clients who are overall satisfied and overall dissatisfied with Ananya. The calculation can be understood as follows:

Lets say clients gave the following rating to Ananya on x indicator our of 1 to 5 where 1 was highly dissatisfied and 5 was highly satisfied:

Rating	No. of Client	Percent of Client
1	5	5
2	12	24
3	8	24
4	5	20
5	13	65
<b>Total</b>	<b>43</b>	<b>138</b>
<b>Max. Score</b>	<b>215</b>	
<b>% of Client Satisfied</b>	<b>64.18%</b>	

The formula is as follows:

$$CS = \frac{\sum(R * N_c)}{M_c}$$

**CS:** Overall Customer Satisfaction of one Indicator

**R:** Rating given by client

**$N_c$** =Number of clients for each rating type

**$M_c$** =Maximum score given in that particular indicator by all the clients

Kindly note, that the overall satisfaction presented in the CSS section considers more than 20 parameters mentioned the CSS section of the report. Hence, the overall satisfaction should not be looked as the average of the 12 parameters assessed in the CSS section.



# ANNEXURE

## Calculation of Net Promoter Score:

The Net Promoter Score was calculated based on whether the client will recommend Ananya to other institutions in the space. Here a score of 8,9 and 10 out of 10 meant highly likely and scores below 6 meant highly unlikely. The formula utilized for calculating was as follows:

**Net Promote Score = % of Promoters - % of Detractors**

**Promoters:** All the clients who scored Ananya 8, 9 and 10 on the scale of 10

**Promoters:** All the clients who scored Ananya 0 to 6 on the scale of 10

CSS Section

## Annexure 6: Employee Satisfaction Survey (ESS)

The methodology adopted for the understanding employee satisfaction was through Employee Satisfaction Survey (ESS) conducted with the employees of Ananya in 2021. 36 out of 50 employees participated in the survey. In the survey, we asked the employees to rate Ananya on different parameters on a scale of 1 to 5 where 1 being highly dissatisfied and 5 being highly satisfied. Post data collection, the scores were converted to overall employee satisfaction for employees on each indicator. Post it, the overall scores from all the clients were converted to total score received by Ananya for each indicator.

ESS Section



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**“The poor themselves can create a poverty-free world. All we have to do is to free them from the chains that we have put around them!”**

**- Muhammad Yunus**



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