

## M2i's Experience in MSME FINANCE

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<b>Title of Assignment</b>	<b>Financial Opportunities for Tamil Nadu Rural Transformation Project</b>
<b>Duration (From – To)</b>	Dec 2016 – Apr 2017
<b>Details of Client</b>	Tamil Nadu Rural Transformation Project
<b>Short Description about assignment</b>	
<p>Under the TNRTP Project, the Government of Tamil Nadu is keen to set up a specialized Financing Facility to support enterprises in a wide range of sectors, including start-ups, women-led enterprises, and youth-led enterprises.</p> <p>M2i conducted a diagnostic study, based on primary survey of rural micro-enterprises and supported by detailed literature review, to understand the scope for financial instruments among enterprises in the rural economy. The number of enterprises surveyed was 353. Secondary Research was done on the existing MSME credit guarantee funds and loan schemes offered by central and state government.</p>	

<b>Title of Assignment</b>	<b>Market Research and Strategic Plan for Microenterprise Financing</b>
<b>Duration (From – To)</b>	Jun 2016 – Dec 2016
<b>Details of Client</b>	Annapurna Microfinance Pvt Ltd
<b>Short Description about assignment</b>	
<p>AMPL was interested in starting microenterprise lending and it commissioned M2i to perform market research and provide advice regarding product and process related to microenterprise lending.</p> <p>Market research across Odisha, Bihar, MP and Maharashtra. Assessment of demand-supply gap for micro enterprise loans. Strategy development for microenterprise lending. Secondary Research was also done on the existing SME loan products on offer by different MFIs and FIs.</p>	

<b>Title of Assignment</b>	<b>Design and pilot roll-out of SME Lending Model</b>
<b>Duration (From – To)</b>	Aug 2014-Mar 2016 (Expected)
<b>Details of Client</b>	Satin Creditcare Network Ltd
<b>Short Description about assignment</b>	
<p>Satin Creditcare Network Ltd is a Non-banking Financial Company established in 1990. Through its group-based microfinance program, the organization provides loans to over 1.2 million clients. The organization wanted to develop a lending model for the Micro Small and Medium Enterprises (MSME). M2i advised Satin in developing appropriate products and processes for lending to this segment.</p> <p>Our services included:</p>	

<ul style="list-style-type: none"> <li>• Market research</li> <li>• Product development</li> <li>• Recruitment of key staff</li> <li>• Process design, documentation</li> <li>• Preparation of process manual</li> <li>• Training and business Planning</li> </ul>
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<b>Title of Assignment</b>	<b>Impact Assessment of training on Energy Efficiency Financing</b>
<b>Duration (From – To)</b>	Nov 2013-Jan 2014
<b>Details of Client</b>	German Technical Cooperation (GIZ)
<b>Short Description about assignment</b>	
<p>M2i carried out an impact analysis of the training on Energy Efficiency Finance (EEF) conducted for 2,100 bankers at 50 locations. The trainings were conducted in association with SIDBI to enhance awareness of the bankers about Energy Efficiency financing products available for the MSMEs. To carry out this impact analysis, M2i interviewed a total of 60 bankers at 7 locations from Mid-December 2013 to Mid-February 2014 and covered 25 different banks. M2i also interviewed senior bankers (mainly in the Regional or Zonal offices of the banks) who had nominated branch staff for EEF training.</p>	

<b>Title of assignment</b>	<b>Product Development for Microenterprise financing in MSME clusters</b>
<b>Duration (From – To)</b>	Oct 2012-Mar 2013
<b>Details of Client</b>	Fusion Microfinance Pvt Ltd
<b>Short Description about assignment</b>	
<p>Fusion Microfinance Pvt Ltd is an MFI operating in Northern India, using group methodology. M2i advised the organization in developing loan products for MSMEs, using cluster-based approach.</p> <p>Our services included:</p> <ul style="list-style-type: none"> <li>• Market research to understand product value chains (wood carving cluster in Saharanpur and Zari cluster in Bhopal)</li> <li>• Product development</li> <li>• Pilot testing</li> <li>• Support in product launch</li> </ul>	

<b>Title of Assignment</b>	<b>Develop tool for loan assessment and risk management in microenterprises financing</b>
<b>Duration (From – To)</b>	Nov 2010 – Jan 2011
<b>Details of Client</b>	Sa- Dhan
<b>Short Description about assignment</b>	
<p>The project involved development of a toolkit for loan assessment and risk management in</p>	

MSME financing, which MFIs could use to build an MSME loan portfolio. The project was funded by GIZ. The assignment acted as a follow up project to the road-map study for microenterprise financing that M2i had performed for GIZ.

The Assignment included:

- Secondary research and collection of the available tools
- Communication with the MFIs and other associations to bring their practiced tools in conjunction with Sadhan.
- Review of the available client assessment tools.
- Field Visits- Meetings with the MFIs, Meetings with the clients
- Development of the first draft of the client assessment tool  
Consultative meetings with the experts in conjunction with Sadhan.
- Consultative meeting with Sa-Dhan
- Field Testing of the developed tool/s in selected locations
- Development of the second draft of the client assessment tools.
- Consultative meetings with selected MFIs on the tools.
- Modification and finalization of the tool
- Development of guidelines for using the tools by the loan officers
- A final report along with the tool.
- Dissemination of the tool through a workshop organized in New Delhi attended by participants from MFIs, GIZ, Sa-Dhan and SIDBI

<b>Title of assignment</b>	<b>Preparation of a series (3 volumes) of knowledge documents on lending to the “Missing Middle” sub-segment under MSMEs</b>
<b>Duration (From – To)</b>	Aug 2012-Oct 2012
<b>Details of Client</b>	German Technical Cooperation (GIZ)
<b>Short Description about assignment</b>	
GIZ in association with SIDBI, Sa-Dhan and M2i had worked with various stakeholders and conducted several studies related to MSME clusters in the specific context for “Missing Middle enterprise finance.” The assignment was to prepare knowledge series with existing information, innovative models and national/international best practices in the area of microenterprise financing.	
M2i developed the knowledge series in three volumes:	
<ul style="list-style-type: none"> <li>• Volume 1: State of financial inclusion of microenterprises: Missing Middle</li> <li>• Volume 2: Financing the Missing Middle: framework and approaches;</li> <li>• Volume 3: Missing Middle financing: opportunities and way ahead.</li> </ul>	

<b>Title of assignment</b>	<b>Microenterprise Lending by MFIs: Opportunities, Challenges and the Way Forward</b>
<b>Duration (From – To)</b>	May 2010-Jun 2010
<b>Details of Client</b>	German Technical Cooperation (GIZ)
<b>Short Description about assignment</b>	

This assignment involved research on the status of microenterprise lending by MFIs in India. Specific activities under the assignment included:

- Survey of microenterprise lending practices by MFIs in India
- Interview with senior managers of 11 MFIs with microenterprise lending programmes
- Interview of bankers and sector experts,
- Preparing a report that covered product profile of the MFIs,
- Sector or purpose wise distribution of their loan portfolios
- Lessons learned from individual lending to microenterprises
- Challenges and constraints

<b>Title of assignment</b>	<b>Impact of Microenterprise Finance Intervention</b>
<b>Duration (From – To)</b>	Nov 2009- Dec 2009
<b>Details of Client</b>	German Technical Cooperation (GTZ)
<b>Short Description about assignment</b>	
<p>M2i assessed the impact of microenterprise loans given by SIDBI and Satin Creditare. This was done by undertaking a survey of microenterprise units, involving analysis of their performance, the impact of loans on aspects such as sales, profits, assets, and number of employees. The analysis led to the preparation of a detailed report and case studies of selected enterprises..</p>	