

# Sindhuja Microcredit , India

## SOCIAL RATING <sup>S</sup> BB

Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.



Social Rating Committee Mar-22 Previous SR: First Social Rating  
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### SOCIAL RATING RATIONALE

<b>SOCIAL PERFORMANCE MANAGEMENT SYSTEM</b>	The board and management are committed to the social mission. The mission reflects the institutional financial inclusion intention and focus on provide easily accessible and customer-centric services. The social performance strategy including clear and measurable targets is yet to be formalized. The monitoring of the institution’s adherence to responsible practices is good, while the capacity to monitor and measure social goals needs to be developed.
<b>CLIENT PROTECTION AND SOCIAL RESPONSIBILITY</b>	The social responsibility towards the staff is adequate due to the complete HR policies, a well established staff appraisal process and the adequate training. However, gender balance is weak and staff turnover remains high though aligned with peers in the country. The overall alignment to client protection practices is good especially in terms of transparency, fair pricing, and mechanism for complaints. The analysis of client feedback and satisfaction needs improvement.
<b>OUTREACH</b>	Sindhuja’s outreach results are fully aligned with its exclusive focus on rural women and its income-generation intention. The depth of geographic outreach in terms of outreach to areas with higher poverty rates and low access to credit is very good. As a young institution, Sindhuja still shows a limited breadth of outreach in terms of number of borrowers, though the growth pace has been good considering the challenges brought about by the COVID-19 pandemic.
<b>QUALITY OF THE SERVICES</b>	Sindhuja offers an adequate variety of services including credit and a mandatory credit life insurance. Despite the standardized features due to regulatory provisions, the loan products are appropriate to the needs and preferences of the target population.

Institutional data	Sep-21	Social indicators	Sep-21
Active borrowers	126,627	Rural coverage, clients	100%
Active savers	-	Female clients	100%
Gross portfolio, USD	35,443,839	Female staff	1%
Total active savings, USD	-	Female staff in management	0%
Branches	92	Average disbursed loan amount, USD	440
Total staff	555	Portfolio for income generating activities	100%
		Productive portfolio to microenterprises	100%
Legal form	NBFI	Average loan balance / GNI pc	15%
	NBFC-MFI	Solidarity group methodology, clients	100%
Inception	2018	Client drop-out ratio	60%
Area	Rural	PAR30	5.0%
Credit methodology	Group	Staff turn-over ratio	na
Financial services	Credit	Average annual percentage rate (APR)	23%
Non fin. services	None	Average transparency index	85
Coverage	6/36 States and Union Territories	Growth in active borrowers	50%

See annex 2 and 4 for more details.

**MFR Headquarters**  
 Via Rigola 7  
 Milan  
 Tel: +39 02 3656 5019

[info@mf-rating.com](mailto:info@mf-rating.com)  
[www.mf-rating.com](http://www.mf-rating.com)

[abhisheka.kumar@sindhujamicrocredit.com](mailto:abhisheka.kumar@sindhujamicrocredit.com)  
[www.sindhujamicrocredit.com](http://www.sindhujamicrocredit.com)

**Sindhuja Microcredit**  
 Office No. 601 - 607, 6th Floor, Tower A,  
 District : Gautam Budh  
 Tel: 9793235888

## Social Rating Scale

Grade	Definition
<sup>s</sup> AA	Excellent social performance management and client protection systems. High likelihood of achieving the social mission.
<sup>s</sup> A	Good social performance management and client protection systems. Social mission likely to be achieved.
<sup>s</sup> BB	Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.
<sup>s</sup> B	Moderate social performance management and client protection systems. Partial alignment to the social mission
<sup>s</sup> C	Weak social performance management and client protection systems. Medium risk of mission drift
<sup>s</sup> D	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers “+” and “-” which can be added to the rating grade indicate small relative differences within each rating category.

More information: [www.mf-rating.com](http://www.mf-rating.com)

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