



## **PAFT Finance Limited**

### **ANNUAL REPORT 2018-2019**

No. 3, A-Block, St. Paul's Complex, Bharathiar Salai, Trichy - 620001  
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Web: [www.patgroup.org](http://www.patgroup.org)



### **VISION**

PAT aspires to be a sustainable organization, empowering the urban and rural poor, economically and socially irrespective of caste and creed

### **MISSION**

To enable the urban and rural poor attain sustainability, by creating livelihood opportunities through delivery of microfinance and related support services, by fair and transparent systems

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# PAFT- General Information

## NAME OF THE ENTITY:

**PAFT FINANCE LTD (PAFT)**

## REGISTERED OFFICE:

No. 3, A-Block, 1<sup>st</sup> Floor, St. Paul's Complex,  
Bharathiar Salai, Trichy Corporation,  
Trichy District, Tamil Nadu - 620 001.

## REGISTRATION STATUS:

Legal Status : NBFC Registered under ROC and RBI

RoC CIN No. : U65191TN1993PLC024690

23 August, 2016

ROC-Chennai

RBI CoR No. : B-07.00581

26 September, 2016

RBI Regional : Chennai

Office

Details of PAN: AAACR3665B

## CONTACT DETAILS:

Phone/Fax : 0431 4050749

Email : [paftfin@patgroup.org](mailto:paftfin@patgroup.org)

Web : [www.patgroup.org](http://www.patgroup.org)

## FUNDERS OF PAFT

- Ananya Finance for Inclusive Growth Pvt. Ltd, India.**  
101, Sakar I Building, Opp. Gandhigram Station, Ashram Road, Ahmedabad.
- Micrograam Social Development Foundation**  
427, 5<sup>th</sup> Cross, J P Nagar III Phase, Bangalore - 560078.
- ESAF SMALL FINANCE BANK**  
(BC Model)



# PAFT

## Profile

### Origin & Background

Foundation for People's Action for Transformation (PAT) group was laid by two socially inclined personalities Late Mr. Hirudayasami and Mr. R. Stephen Francis Xavier. PAT trust was founded on 2nd May 1997 to implement welfare and social development activities. The Trust became a lending entity in the year 2003 to work towards the financial inclusion of the underprivileged, who were excluded from the mainstream banking sector.

The financial inclusion drive of PAT trust in a professional and rightful manner is further spearheaded with the acquiring of Indma Finance Ltd., which is reinstated as PAFT Finance Limited in August 2016.

PAFT is aiming to contribute significantly in the economic empowerment of women folk so that they have a say in the matters pertaining to them and contribute to society development.

As of 31st March 2019, PAFT Finance Ltd has a Portfolio Outstanding of Rs. 43.22 Crs with 16,223 active borrowers through its 15 branches.

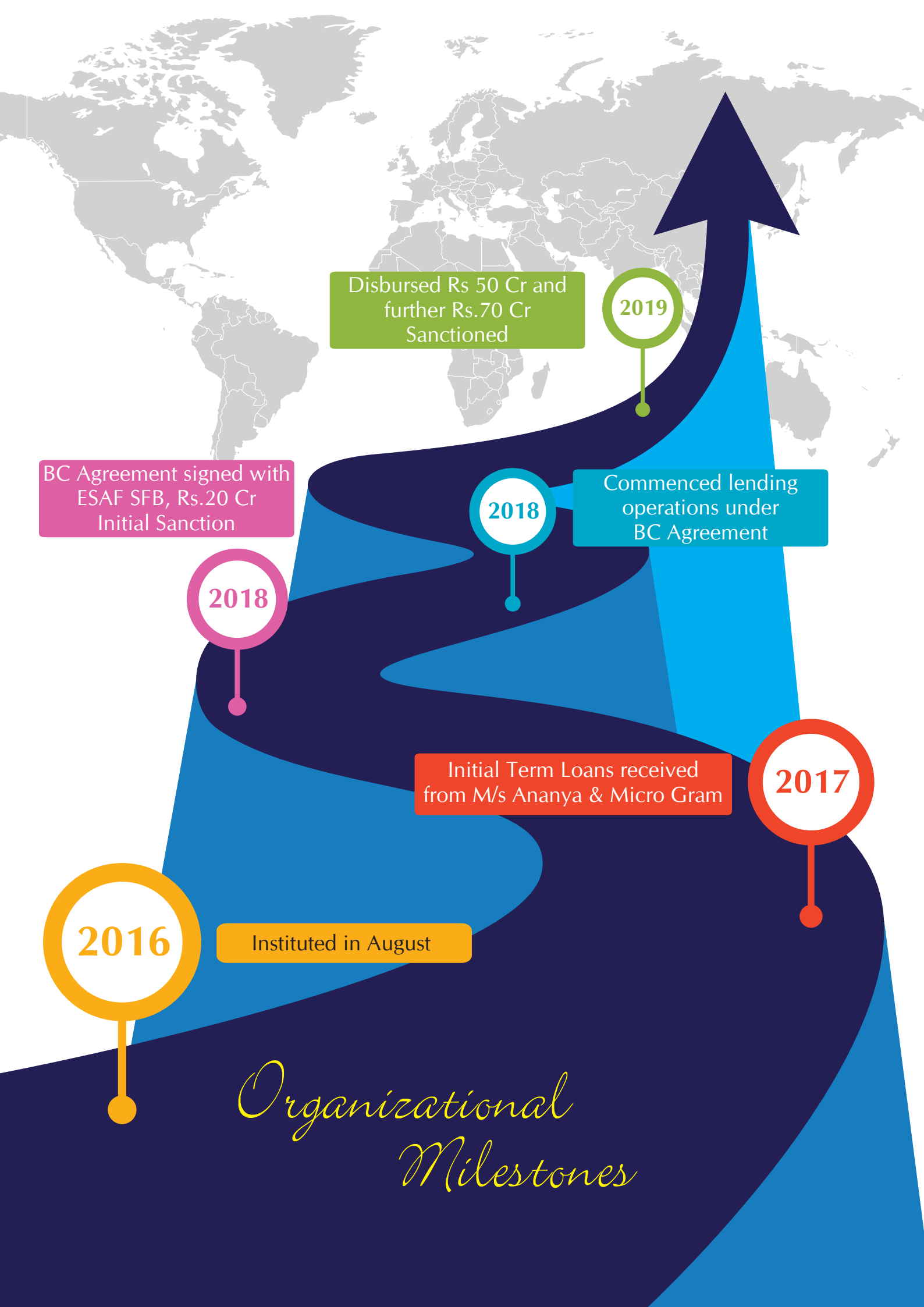
### Capital Structure

PAFT has raised the capital to Rs.4.56 crore as of March 2019 and it has already commenced the microfinance activities. With the capital of Rs. 2.4 crore as of March 2017, PAFT has become compliant with the relevant regulation of RBI that governs a NBFC loan company. The company is on a continuous drive to further raise its capital to be reclassified as an NBFC MFI.

As a significant development during FY 2018-19 PAFT had signed an agreement with ESAF SFB to be its Business Correspondent and had commenced lending activities on 2nd May 2018 with an initial disbursement of Rs 33.35 lakhs at Thiruppanandal Branch, Thanjavur Dt. out of the sanctioned exposure of Rs 20 Cr targeted to be disbursed by November 2018. When the target was achieved, further exposure totalling to Rs 50 Cr was sanctioned and by mid of April 2019 the amount was fully disbursed. Further ESAF Bank had allocated Rs.70 Cr for business, thus setting the limit to Rs.120 Cr. PAFT shall be fruitfully leveraging on the community base, goodwill and expertise of PAT Trust. Further, the major compliances required for Micro Finance Institutions like Credit Bureau Membership, SRO linkages, Client Protection measures etc., have all been initiated as many of the concepts are already practiced in PAT Trust for its microfinance operations.

The strengths and experience of PAT Trust will serve as a base platform for PAFT and help achieve its goal.





Disbursed Rs 50 Cr and further Rs.70 Cr Sanctioned

2019

BC Agreement signed with ESAF SFB, Rs.20 Cr Initial Sanction

2018

Commenced lending operations under BC Agreement

2018

Initial Term Loans received from M/s Ananya & Micro Gram

2017

2016

Instituted in August

*Organizational Milestones*



A photograph of several paper boats on a white surface. There are four yellow boats and one red boat. The boats are arranged in a cluster, with the red one being the most prominent in the foreground. The background is a soft, out-of-focus white.

# *The Leadership*

## **Leadership of PAFT**

PAFT leadership is spearheaded by its Managing Director Mr. Stephen Francis Xavier, who has vast experience in social business, financial inclusion and microfinance management. He professionally manages the affairs of PAFT with the support and guidance of experienced & qualified domain experts, who are inducted into the board both as promoter directors and independent directors.

The two independent directors have exemplary credential, one of them holds the unique combination of being a qualified Chartered Accountant, Company Secretary and a Legal professional. He carries along with him years of experience in the MFI sector. The other one is a veteran Society oriented investment banker and expert in financial inclusion.

The Promoter group directors are with several years of varied experience in social service and creating livelihood opportunities to the poor.



**Mr. Stephen Francis Xavier**  
Managing Director

Stephen Francis Xavier, Co-Founder of PAT Group of Institutions, has a strong societal orientation and the rare combination of commerce, philosophy and theology for his academic foundation. This laid the bedrock of the PAT Group which he formed along with his colleague late Mr K.Hirudayasami.

Mr Stephen brings along with him a vast and varied experience in administration and finance to PAFT. He received formal training in MFI governance, Financial Management, Internal Audit and Controls, Microfinance Literacy, Micro enterprises development, Accounting and Auditing standards in addition to his long experience in various fields is PAFTs asset to count on in its growth.



**Mr. R. Sathianathan**  
Director

A qualified engineer and a builder, Mr. Sathianathan is involved in imparting educational services to the rural youth. He has a clear vision about his goals, effective strategy for its implementation. He enjoys an incredibly vast network of professionals, social workers and educators across the country.

He has an inherited social inclination and acumen, which will support PAFT to attain its goals both socially and economically besides helping the organization to be in focus as the organization drives its agenda of the financial inclusion of the under-privileged.



**Mr. S. Joel Mecir Roy**  
Director

A young professional with an engineering degree from a reputed institution and ten years of experience in technical team of Vedanta Group. He was instrumental in the MIS revamp, operational excellence and standardizing the organizational practices.

His association with PAFT will be enabling the systems for MIS and data analysis to ensure effective risk and delinquency management, performance review and productivity improvement of the resources.



**Mrs. Anne Jose Patricia**  
Director

A postgraduate in science, Anne joined the PAT trust as an officer. Due to her flair for financial management, she worked her way up and currently heads the finance wing of PAFT. She oversees financial management of the company. She has undergone intensive training in Microfinance and community services through various seminars and workshops conducted by leading Indian Institutions. Her training in MFI governance, Financial Management, Internal Audit and Controls, Accounting and Auditing standards received from M/s FWWB will help steer the organization to sustainability.



**Mr. Regis**  
Director



A businessman by profession, Regis is actively involved in social services. He possess keen acumen for business, acquired through his successful personal business infrastructure. He is a pillar of strength to PAT Group in implementing various social programs. He has joined PAFT finance to contribute on the social side of Microfinance operations.

**Mr. G. Milroy Paul**  
Independent Director



Mr. G. Milroy Paul is banker by profession, he was associated with IOB for 30 years in various capacities. He also has over 10 years of experience in the Microfinance sector and worked as a senior Management staff of Friends of the Women's World Banking India (FWWB). He was associated with Habitat for Humanity, India as Head of Housing Microfinance for a term. He is also a 'Certified Microfinance Training of Trainer', offered by the Asian Development Bank Institute (ADBI) and the World Bank.

**Mr. R.S. Hariharan**  
Independent Director



A qualified Chartered Accountant, Company Secretary and a Lawyer, Mr. Hariharan has 4 decades of experience in handling industrial, commercial, legal and secretarial affairs. He is stationed at Chennai and practices in the areas of Statutory Audits, Company Law, FEMA, Income Tax and Service Tax. He has been associated with Microfinance Institutions, both NBFC-MFI and NGOs for over a decade and has hands on experience in PE Equity, Evaluation, NGO transformation, corporate management.



# Robust Growth reported by NBFC-MFI



MicroFinance Institutions Network (MFIN), the SRO holding the membership of 53 NBFC-MFIs, had reported that the sector has posted 38% growth for the FY 2018-19. The gross loan portfolio stood at Rs 1.87 Lakh Cr for FY 2018-19, while it stood at Rs. 1.35 Lakh Cr for fiscal year 2017-18.

As on March 31, 2019 the cumulative number of accounts in the sector reported a hike of 21.9% and it stood at 9.33 Cr. The number of loans disbursed for the fiscal year was 3.25 Cr and the loans worth is Rs 82,928 Cr.

In the growth context of MFI sector, CEO of MFIN Mr. Harsh Shrivastava says “In 2018-19, microfinance industry showed its resilience by growing steadily in spite of liquidity squeeze that all NBFCs faced in the third quarter and natural disasters like cyclones and drought”.

Universally, NBFC-MFIs holds the 36.8% of MFI loan outstanding portfolio amounting to Rs 68,868 Cr. The sector achieved 47% growth YoY basis and its aggregated loan portfolio stood at Rs 68,207 Cr as on March 31, 2019.

The sector growth prospects indicated a growth of 34% in employment generation, the sector employs 1,04,973 personnel in total. The sector received continuous funding support from Banks and Financial Institution and for FY 2018-19 they had lent Rs 35,759 Cr to NBFC-MFIs, which is 63% higher compared to the previous fiscal year.

Geographically, the East and North East region of the country holds the highest concentration of NBFC-MFI portfolio with 38%, followed by Southern region with 24%. The West, North, and Central regions holds 15%, 14% and 9% portfolio respectively.

The FY 2018-19 has also been very promising for Banks and Small Finance Banks(SFB), they registered 36% and 25% growth respectively. The Banks were holding a MFI portfolio of Rs 61,046 Cr as on March 31, 2019.

The MFI are comfortably placed to execute their commitments for the next 4 quarters, as they create assets for short periods and their borrowings are of long-term nature.

The equity infused in the MFI grown by 42% at Rs 14.206 Cr for the FY 2018-19.

# PAFT IN 2018-19

## PAFT INFRASTRUCTURE

Branches	15
Districts covered	9
Panchayaths reached	376
Groups	2176
Members in the groups	16508
Active Borrowers	16233
Rural	12988
Urban	3245
Field staff	57
Total staff	101
Loans disbursed during the year	481395000
Loans disbursed during the year (₹ Cr.)	48.14
Average loan size (₹)	31,288
Average loan outstanding (₹)	26,627
Loan portfolio outstanding (₹ Cr.)	43.22
Outstanding borrowings (₹ Cr.)	0.38
Cumulative No. of loans disbursed	16906
Cumulative amount of loan disbursed (₹ Cr.)	52.72

District	SHG Members	Borrowers	Loan Portfolio (Rs. Crore)	% Portfolio
Tanjore	7249	7201	19.79	46
Ariyalur	4764	4710	12.49	29
Nagapattinam	1477	1457	3.94	9
Thiruvarur	1092	1048	3.05	7
Trichy	583	516	1.24	3
Karur	691	691	1.48	3
Perambalur	340	298	0.73	2
Villupuram	245	245	0.4	1
Cuddalore	67	67	0.11	0
<b>Total</b>	<b>16508</b>	<b>16233</b>	<b>43.22</b>	<b>100</b>

# EFFICIENCY ANALYSIS

Efficiency and productivity As on 31 March 2019

Average loan size per borrower (₹) 31288

Number of borrowers / Field staff 285

Number of Borrowers/ Total staff 161

Portfolio per loan officer 7583135

Borrower per branch 955

Portfolio per branch 25425806





# Spreading *Fragrance of Progress*

You cannot kill a breeze,  
a wind, a fragrance;  
you cannot kill a dream or  
an ambition.

Michel Onfray



Flowers are the most adorable gift from mother earth that intrudes into the soul of the human due to their captivating beauty and enthralling fragrance. The gardens, where the flowers grow make the person lost in its charm and fragrance emanate from it.

Shanti, aged 48 sitting at her thatched roof house in Vettaimangalam Village, Thiruvudaimarudur Taluk of Thanjavur District is no ordinary lady. She has taken care of her big family of 4 daughters and 1 son with the family-owned 1 acre land cultivating flowers.

She has been attached to the Thirupanandal Branch of PAFT, where she received 5 cycle of loans starting from paltry amount of Rs 5000 to the present loan of Rs 40,000. All the sanctioned loan was utilized to grow produce in her field, the sweet-smelling flowers of garden brought fragrance in her life. She got all her daughters married and her only son was placed abroad for work.

She acknowledges PAFT with gratitude, which has insulated her from the clutches of loan sharks in times of her financial needs. She appreciates PAFT for introducing technology-driven operations, which greatly reduces the TAT taken for loan sanctions.





[www.patrichy.org](http://www.patrichy.org)