



BFL



[www.bwdafinanceltd.in](http://www.bwdafinanceltd.in)

BWDA FINANCE LIMITED

# Annual Report

FY 2021 - 22





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BWDA Finance Limited (BFL) is an NBFC – MFI (Non-Banking Finance Company Microfinance Institution) working for the financial inclusion and holistic development of low-income households in South India. BFL works for a poverty-free, prosperous, equitable, and sustainable society and has empowered over 7.85 million beneficiaries.

**FOCUS AREAS:**

Financial Inclusion, Water & Sanitation, Widow & Destitute Welfare, Capacity Building, Livelihood Development, Women Empowerment, Senior Citizen Welfare, Health & Wellbeing, Relief & Rehabilitation, Environment & Animal Welfare, Bullock-cart Workers Welfare



## Foreword ▶▶

BWDA Finance Limited (BFL) has been working for a "poverty-free, equitable, prosperous, and sustainable society" through the financial inclusion of low-income households for 18 years. It has been a fruitful and life-changing journey. We thank the Almighty for showering His blessings and leading us on this journey.

This year, the entire nation has been battling the COVID pandemic. BFL and our members have been exposed to unprecedented times with lockdowns affecting their livelihoods. BFL was able to provide relief support in various kinds to 89504 widows and destitute women, bullock-cart workers, differently-abled members, senior citizens above 80 years old, and poor households.

Our members' credit discipline helped the company regain a repayment rate of 97.66% as of 31st March 2022. I thank our members who have stood by us and assure them that we will continue to do our best to support them.

I am grateful to our staff team who have enabled the delivery of relief supplies to support our members during these difficult times. I hope and pray that we all continue to live healthy lives.



We thank our regulator RBI to give us an opportunity to do Microfinance to economically empower poor people especially women. We thank Dia Vikas, SIDBI, Mudra for investing with us and firmly believe that they will continue to support us for the empowerment of our beneficiaries. We thank the Board of Directors for their constant encouragement, guidance, and direction. We thank the financial institutions who have helped us offer credit linkage to our beneficiaries and have transformed their lives.

We whole heartedly thank our lenders State Bank of India, Union Bank of India, Bank of Maharashtra, Bank of India, Bank of Baroda, Canara Bank, Dhanalaxmi Bank, Indian Bank, Eclear Leasing & Finance Pvt Ltd, Usha Financial Services Pvt Ltd, Jain Sons Finlease Pvt Ltd, Electronica Finance Limited, SIDBI, MUDRA, Western Capital Advisors Private Limited, Ambit Finvest Private Limited, Moneywise Financial Services Pvt Ltd, Arohan Financial Services, Monexo Fintech, Lende.

We thank our loan syndicators M/s.Loan Sifarish and M/s.Hyk Capital. We thank the SROs Sadhan and MFIN for helping us serve our members responsibly. We thank our Auditors Mr.Daniel Selvaraj, M/s.Manohar Chowdhry & Associates and his team. Equally, we thank our Internal Auditing team Ms.Muthumari, EM & Co, Chennai. We thank the officials of various Government Departments and Agencies for their encouragement and support.

We thank our staff team for their dedication and sincere efforts to achieve our vision. We firmly believe that we will be able to create a poverty-free, sustainable, equitable, and prosperous society with the support of our dedicated staff, Board, Investors, Advisors, and well-wishers.

Thanks & Regards,



C. JOSLIN THAMBI  
Managing Director  
BWDA Finance Limited





# Annual Report



## About Us ▷▷

BWDA Finance Limited (BFL) is an NBFC - MFI (Non-Banking Finance Company Microfinance Institution) working in South India for the financial inclusion and holistic development of low-income households. The organization is a public limited company headquartered in Viluppuram, Tamil Nadu, and operating in three states (Tamil Nadu, Kerala, Karnataka) and two union territories (Puducherry, Andaman & Nicobar Islands). BFL has three institutional investors namely, SIDBI, MUDRA, and Dia-Vikas, a subsidiary of Opportunity International, Australia.

BWDA Finance Limited commenced its operations in 2003. The parent organization Bullock-cart Workers Development Association (BWDA) registered under the Tamil Nadu Societies Registration Act was established on 2nd October 1985 to work for holistic empowerment of low-income households in South India. In 1988, BWDA started forming Self Help Groups (SHGs) of bullock cart workers' families, especially women to build self-sufficiency and facilitate empowerment and poverty alleviation under the IFAD Programme through Tamil Nadu Women Development Corporation. In 1992, BWDA started working with other low-income households. BWDA also linked SHGs to local banks to meet their credit needs for managing their livelihood and income-generating activities.



Later in 1999, BWDA started direct lending through the BWDA Microfinance Program to improve access to finance with a loan from RMK. Realising the constraints of the legal form and the huge potential for growth in the future it was decided to bring microfinance operations under a separate legal entity.

In 2003, BWDA acquired an NBFC, renamed BWDA Finance Limited (BFL) to streamline its financial inclusion operations. BWDA Finance Limited was reclassified as NBFC - MFI by RBI in April 2018. After reclassification, BFL partnered with the State Bank of India in July 2018 as a Business Associate.

BFL has a network of 72 branches and operates in five states and union territories namely Tamil Nadu, Puducherry, Andaman & Nicobar Islands, Kerala and Karnataka. BFL's team of 484 change-makers strive to empower 45,758 SHGs with 7,16,407 members economically.

BFL believes in the holistic development of low income households and implements projects that contribute to 14 United Nations Sustainable Development Goals (SDGs) through various partnerships.

BFL has disbursed INR. 1391.29 Crore to 14.76 lakhs beneficiaries and has availed INR. 609.94 Crore from 49 FIs and banks. BFL has a grading of MFI2 given by CARE Ratings Limited and rating of BBB-stable given by Acuité Ratings & Research Limited.

# Key Indicators

MARCH 2022

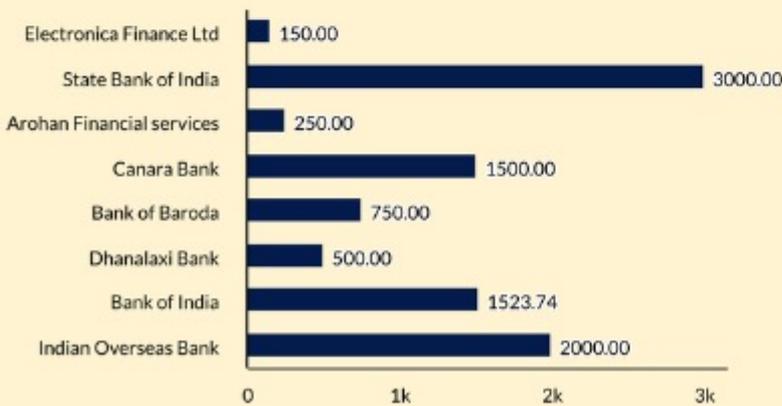
Amount in lakhs

STATES & UTS 5	BRANCHES 72	NETWORTH ₹ 3078.02
DISTRICTS 21	STAFF 484	BALANCE SHEET SIZE ₹ 14908.26

GRADING  
**MFI 2**  
Acuité Ratings & Research Limited

RATING  
**BBB-Stable**  
CARE Ratings

## FUNDS RAISED IN FY 2021 - 22 -



## QUALIFYING ASSET RATIO



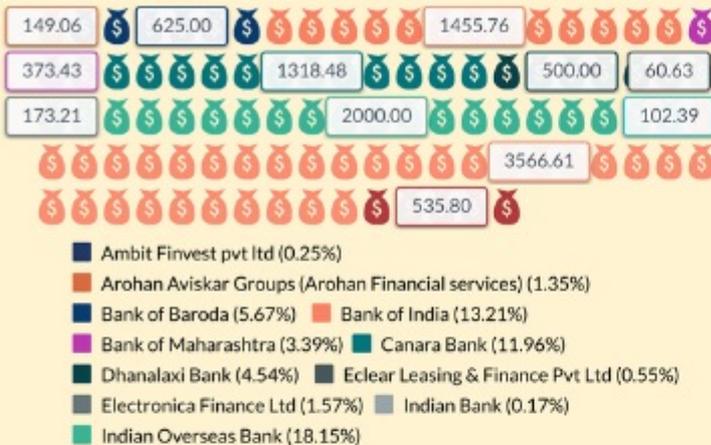
DEBT EQUITY RATIO  
**3.58**

CAPITAL ADEQUACY  
**24.60%**

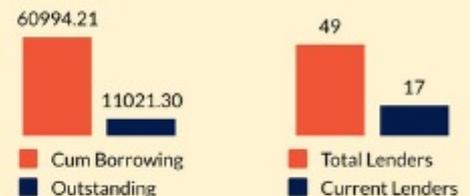
## INCOME VS EXPENSES



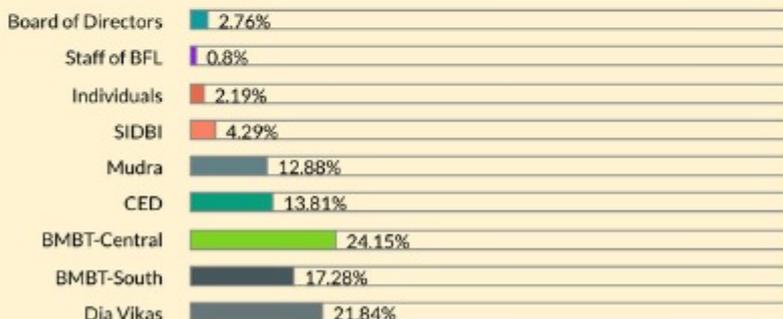
## BORROWINGS (OUTSTANDING ON 31ST MARCH 2022)



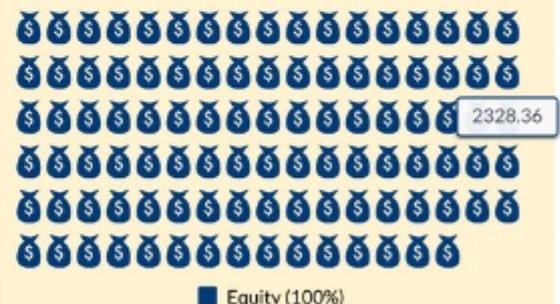
## BORROWING



## SHAREHOLDING PATTERN 31st MARCH 2022



## SHAREHOLD'S FUNDS

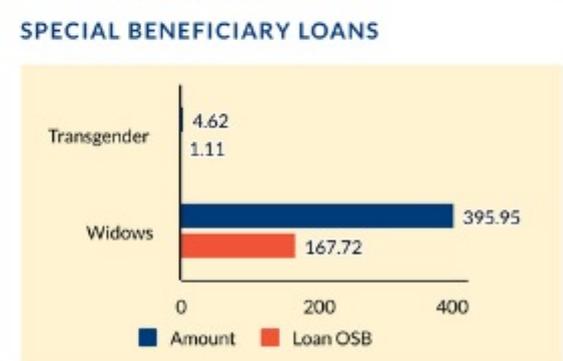
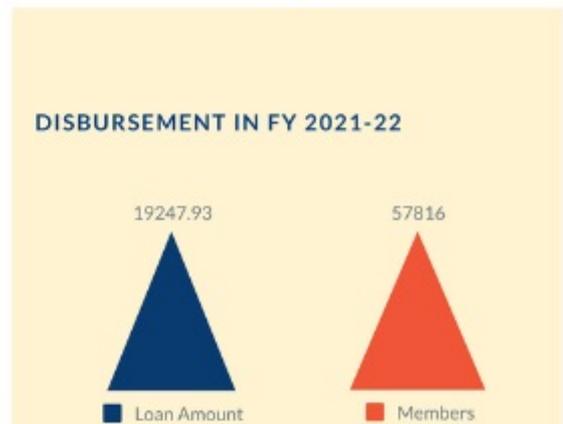
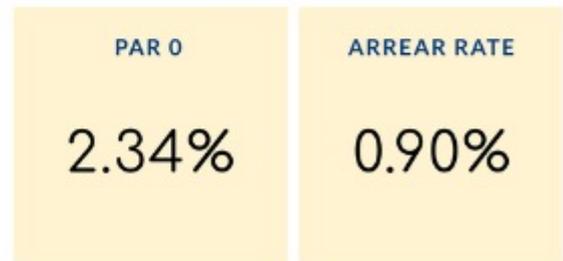
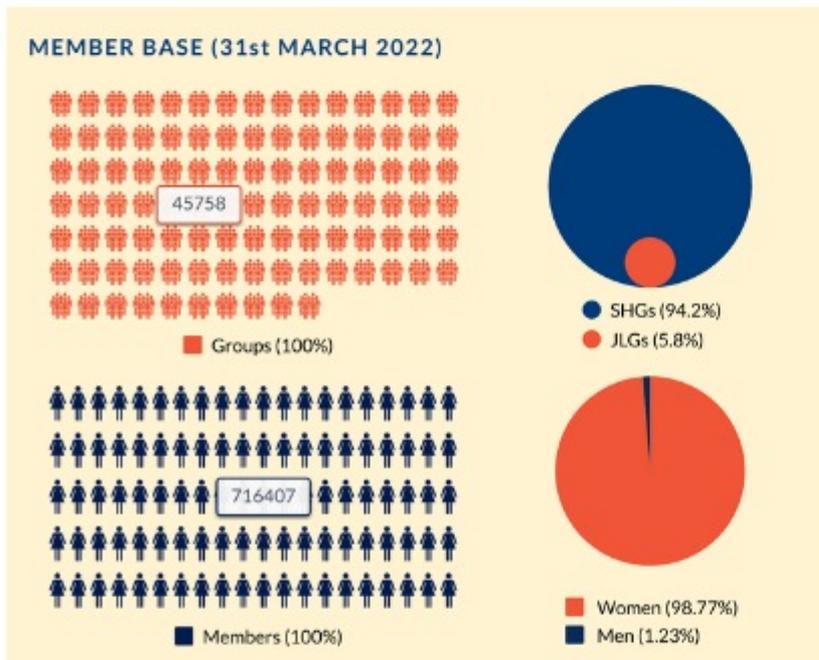


# Key Indicators

MARCH 2022

ASSET UNDER MANAGEMENT (31 MARCH 2022)

Amount in lakhs





Vision



## A POVERTY-FREE, PROSPEROUS, EQUITABLE AND SUSTAINABLE SOCIETY

### POVERTY FREE

A poverty free society comprises of people who can at least meet their basic needs like food, shelter and clothing. The people in this society are accessing financial services for fulfilling the next level of basic needs such as health, education, housing, sanitation, etc. BWDA will enable its clients to move to the poverty-free platform and access services by providing innovative financial services.

### PROSPERITY

BWDA will strive towards the continuous positive economic and social growth of its clients.

### EQUITABLE

BWDA will provide all its clients, irrespective of caste and religion, access to services and will not differentiate amongst members from its target clientele.

### SUSTAINABLE

The clients of BWDA will gradually be able to diversify their sources of income and reduce vulnerability on account of internal / external factors. The gradual increase in income sources and levels will enable them to get into sustainable income generating cycles.

BWDA clients will graduate to a poverty free status and will be able to exercise decision making options as individuals / groups / federations in various aspects of their lives. The economic empowerment facilitated by BWDA will enable them to extend empowerment into other aspects of their lives.



TO EMPOWER 25,00,000 POOR AND VULNERABLE  
HOUSEHOLDS ECONOMICALLY AND SOCIALLY BY  
2025, THROUGH ESTABLISHING SUSTAINED  
ACCESS TO FINANCIAL AND CAPACITY BUILDING  
SERVICES

**EMPOWER**

Reduce vulnerability, train and educate, inculcate leadership skills, provide opportunities to own and manage resources and take decisions.

**VULNERABLE /POOR**

Below the poverty line, disadvantaged sections of the society, those susceptible to shocks and seasonality, Lower middle class population that may not be very poor at a point in life but are nevertheless vulnerable.

**SUSTAINED ACCESS**

To provide services to clients as and when they need them, regularly and consistently

**FINANCIAL SERVICES**

Services including credit, business correspondent, insurance, pension, money transfer, money change, etc

- Directly - By providing services directly through BWDA, its staff, infrastructure and delivery mechanism
- Indirectly - Providing financial services through bank linkages and through partnership with other financial service providers

**CAPACITY BUILDING SERVICES**

Extending training and skill development services (especially related to livelihood, health and education)

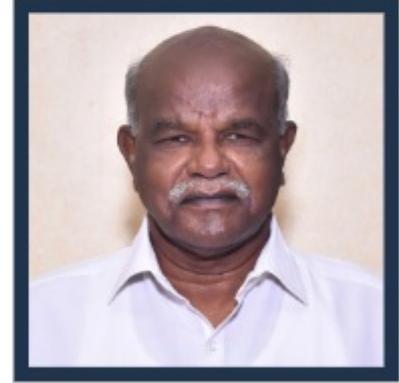
# Board



Mr. John Samuel  
Director



Mr. Asir Raja Selvan  
Independent Director



Dr. C. Joslin Thambi  
Managing Director



Mr. D. Anburaj  
Nominee Director-  
SIDBI/MUDRA



Ms. Alphina Jos  
Wholetime Director



Mr. I. Alwin Zhahariah  
Nominee Director  
BMBT-South



Mrs. V. Priya  
Nominee Director  
BMBT - Central



# Management



Dr.C.Joslin Thambi  
Managing Director



Ms.Alphina Jos  
Deputy Manager Director



R. Venkatachalapathy  
Chief General Manager



Ganesh. R  
Chief Finance Officer



Sridharan. R  
Company Secretary



SKR.Paari  
General Manager



GH.Santharam  
General Manager



Chidambarathanu Pillai  
General Manager

# Institutional Investors



Small Industries Development Bank of India (SIDBI), set up on April 2, 1990, under an Act of Indian Parliament, acts as the Principal Financial Institution for the Promotion, Financing, and Development of the Micro, Small and Medium Enterprise (MSME) sector and for coordination of the functions of the institutions engaged in similar activities.



Dia Vikas Capital Pvt. Ltd India is a subsidiary of global microfinance and enterprise development impact investor-Opportunity International Australia, a member of the Opportunity International Network. Dia Vikas was established in early 2008 as a social investor to fill the gap of social investment and support the growth of the Indian microfinance sector



Micro Units Development and Refinance Agency Bank set on April 8, 2015, is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.



CED, Centre for Development Education works to to promote national integration and organises awareness campaigns, seminars, conferences, competitions, exhibitions, training programs.



## Mutual Benefit Trust

These two are Mutual Benefit Trusts formed for the purpose of consolidating the community shares holding as advised by Dia Vikas. The prime objective of the trust is to help improve the economic and social conditions particularly of rural and urban poor women.



# Financial Inclusion



BFL firmly believes that financial inclusion i.e. delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society and linking of the poor to mainstream financial services is the key to empowerment. BFL through the SHG movement creates savings habit and internal rotation of funds among its members. The members are also linked to mainstream banking. BFL also facilitates credit linkage through on lending from banks, and other Financial Institutions for income generation and livelihood activities. BFL's financial inclusion initiative had its humble start in the parent NGO, Bullock-cart Workers Development Association (BWDA) as the BWDA Microfinance Programme on 09.09.1999 with the first loan assistance from RMK, New Delhi. BWDA received loans for on-lending from the Govt., financial institutions and banks like RMK, SIDBI, VGB, SBT, IOB, FWWB, HDFC, Dhanalakshmi Bank, CORDAID, RABO Bank Foundation, etc. for the microfinance programme. In 2003, BWDA acquired an NBFC, renamed BWDA Finance Limited (BFL) to streamline financial inclusion operations.

The Microfinance Programme has now matured into a full-fledged financial inclusion programme offering a bouquet of market-led financial services to low-income households. The financial inclusion programme directly and through partnerships offers members savings (through the SHG model), credit linkage, remittance, pension and insurance.

BFL has adopted industry benchmarked process and systems to ensure robust operations. At present BFL offers its services, primarily through Self Help Groups (SHGs). An SHG is a small, economically homogeneous and affinity group of rural/urban

voluntarily formed to save and contribute to a common fund to be lent to its members as per the groups' decision and for working together for the social and economic upliftment of their families and community. BFL offers a range of customer-oriented products and services to cater to member needs.

BFL is a member of Sadhan, SRO and adopts all guidelines given by RBI to ensure client protection. BFL has partnered with Credit Bureaus to curb multiple lending. BFL is client-centric and works for the holistic development of members through various development initiatives and credit plus services.

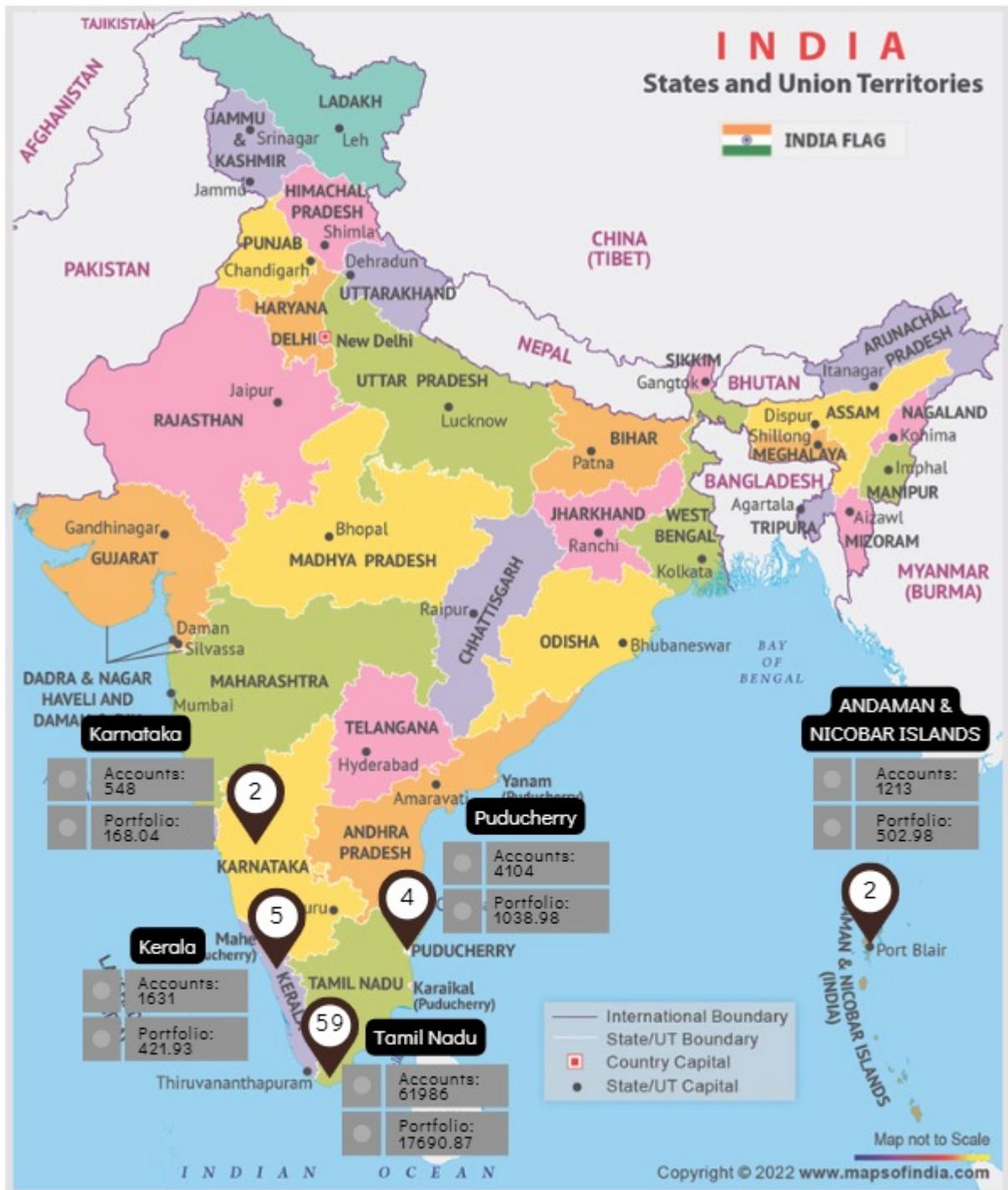
# FINANCIAL INCLUSION TO FURTHER SUSTAINABLE DEVELOPMENT GOALS



THE GLOBAL GOALS

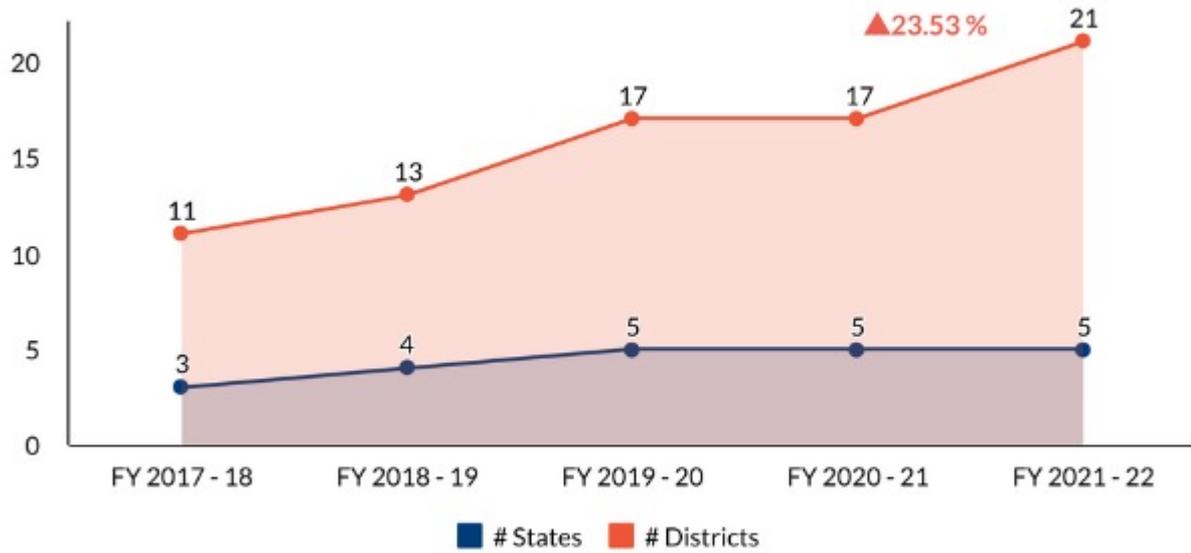


# Outreach

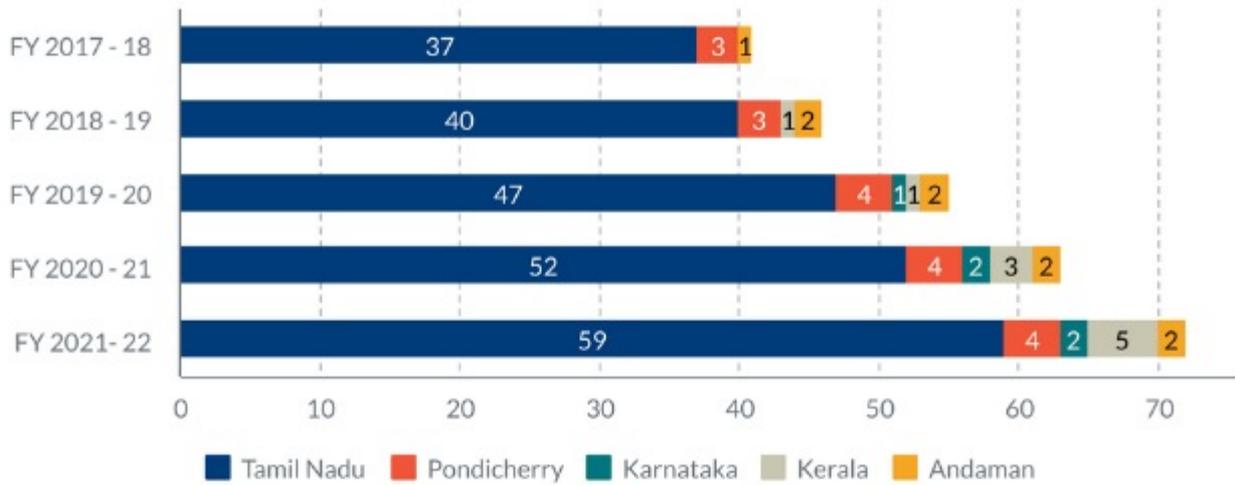


Map Source: <https://www.mapsofindia.com/maps/india/india-political-map.htm>

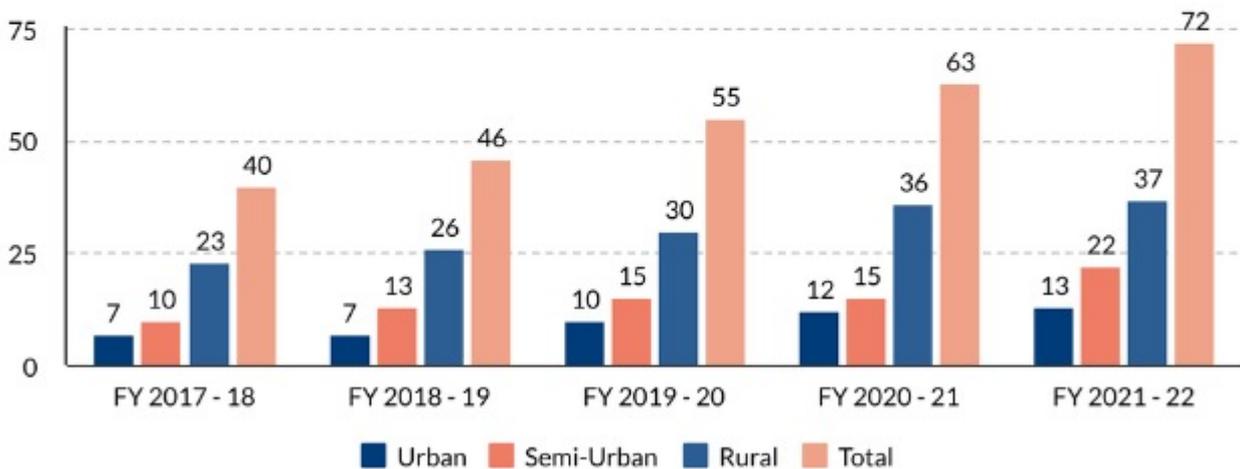
### States and Districts



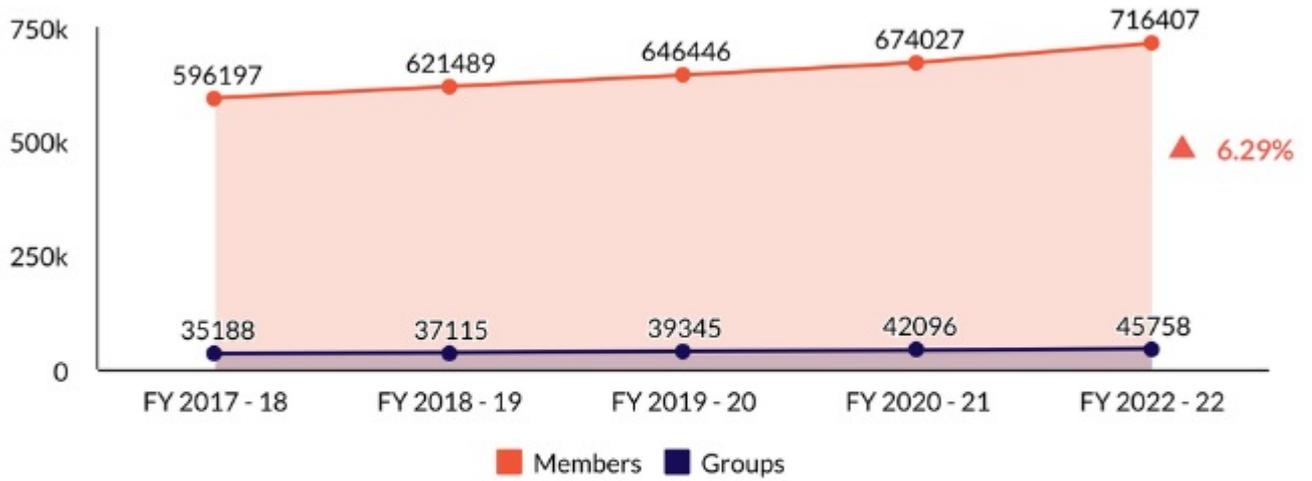
### State-wise Branch Distribution



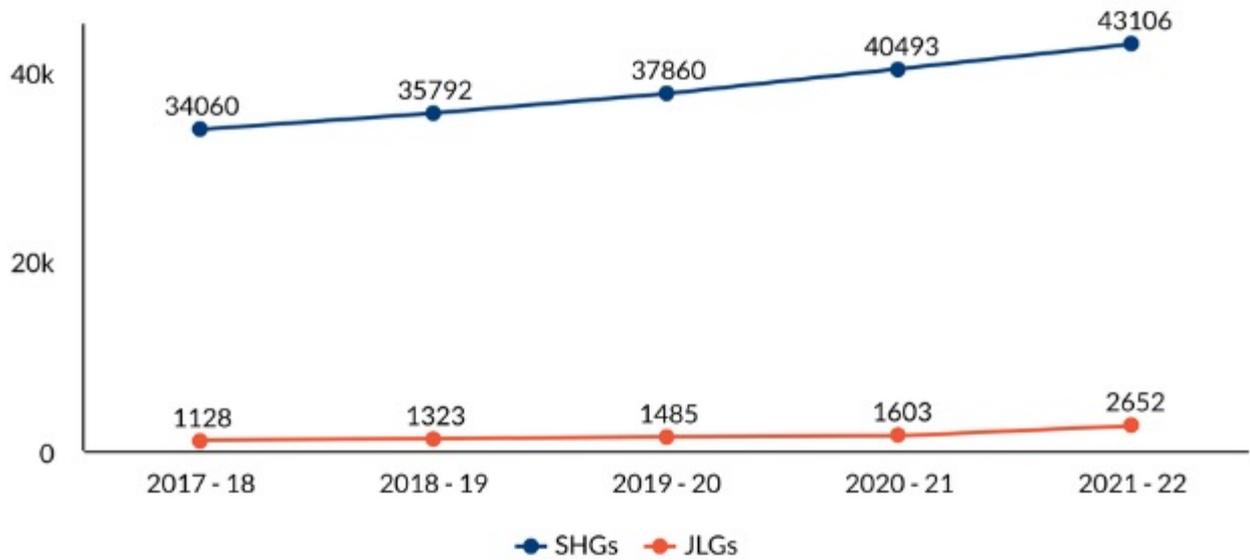
### Area-wise Branch Distribution



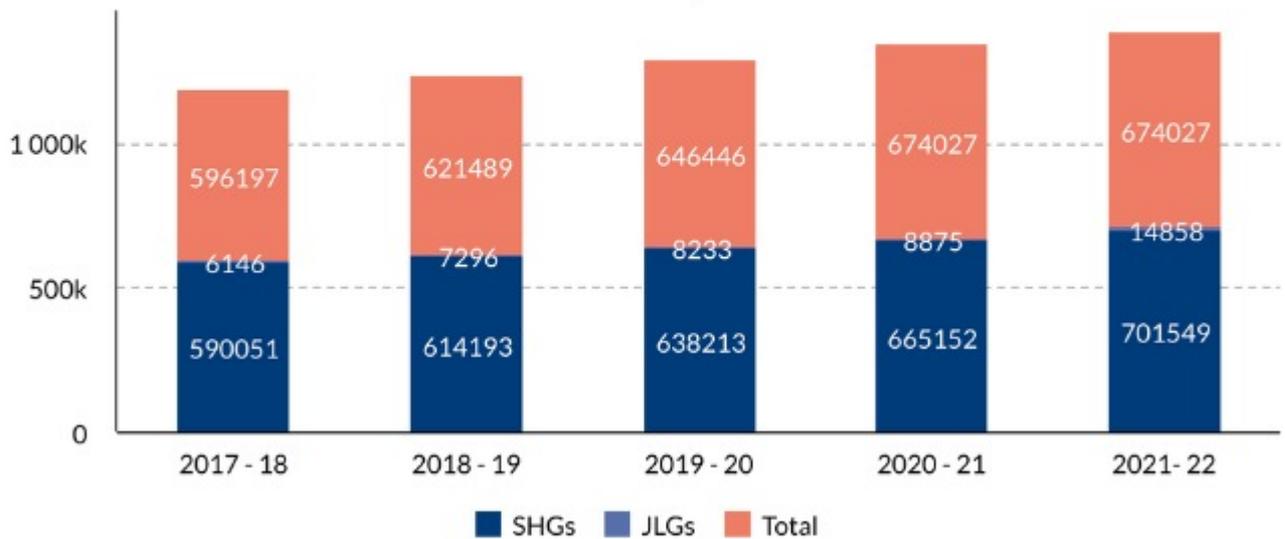
Member Base



Group Composition



Member Composition



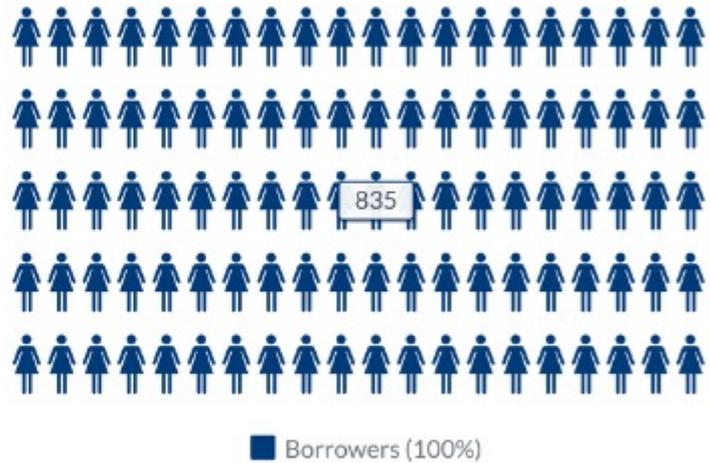


# Finnovation

## 'PUDHUMAI' SHGS (SELF HELP GROUPS) – BWDA WIDOWS AND DESTITUTE WELFARE:

Widows and destitute women have poor social standing, are highly stigmatized, and often lack the support to sustain themselves. This program was initiated by BWDA to empower widows and destitute women and to transform them into micro-entrepreneurs. BWDA provides low-cost financial access (18%) and offers livelihood and capacity development training to beneficiaries. The program also forms 'Pudhumai' groups comprising of 10 widows or destitute women thereby creating a support platform. BWDA also offers advocacy support to members.

BWDA also organizes various awareness and motivational programs which have benefitted over 5000 widows. BWDA has formed 168 Pudhumai groups with 1,863 members and has facilitated over INR.128.25 lakhs to these members. During the COVID – 19 pandemic BWDA provided relief supplies to 3,191 widows to support them during the crisis.



### B-WASH – BWDA WATER SANITATION AND HYGIENE PROGRAMME:

B-Wash program aims to provide safe drinking water and hygienic sanitation facilities to low-income households by creating awareness and financial access for WSH infrastructure development. BFL implements B-Wash in partnership with BWDA and Water.org. BWDA has created awareness amongst 12,84,577 beneficiaries.

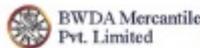
BWDA has further facilitated INR. 7859.85 Lakhs as water credit for the development of 56799 safe water connections and hygienic toilets benefitting 325970 members. BWDA is now looking at setting up community drinking water plants and water resource-friendly sanitation facilities.

# BWDA WATER, SANITATION AND HYGIENE PROGRAMME



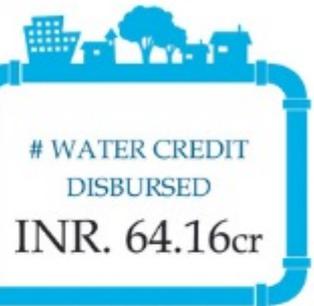
B-Wash project focuses on promotion of water, sanitation and hygiene awareness and credit facilitation for safe drinking water connections and construction of hygienic toilets.

Project Partners:



# LOANS  
**68643**

# WATER CREDIT  
BENEFICIARIES  
**308894**



# WATER CREDIT  
DISBURSED  
**INR. 64.16cr**

CULTURAL PROGRAMMES	:	49889
WSH INTRODUCTION	:	176012
WSH TRAINING	:	84162
HEALTH EDUCATION	:	74779
MASS AWARENESS CAMPAIGNS	:	899735



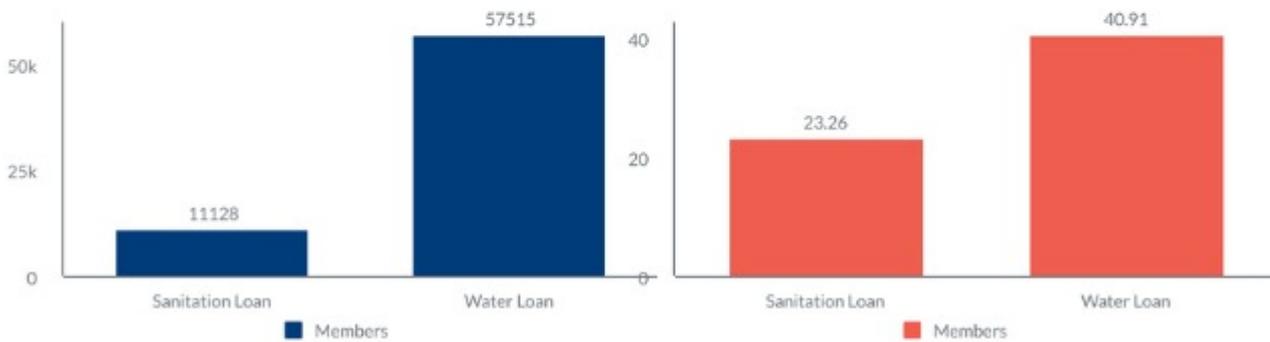
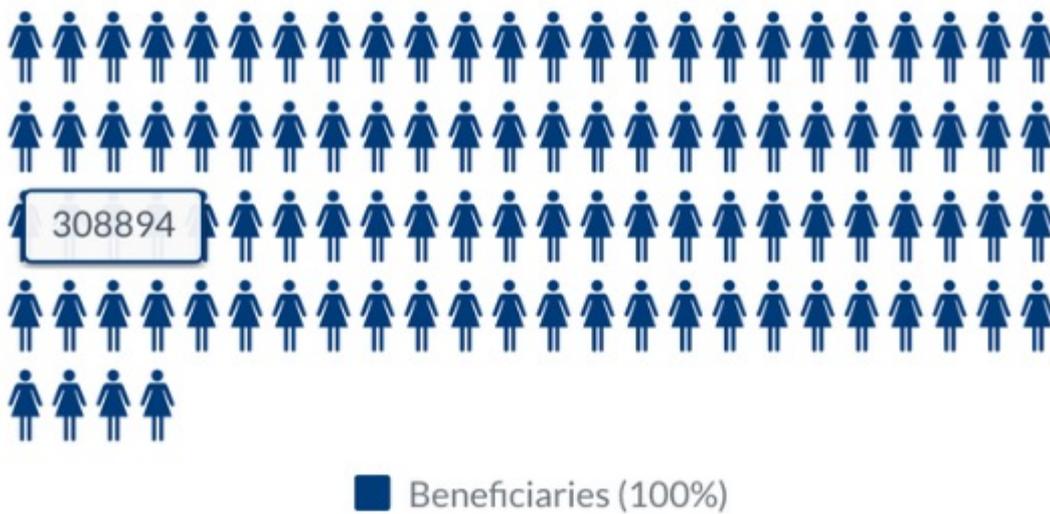
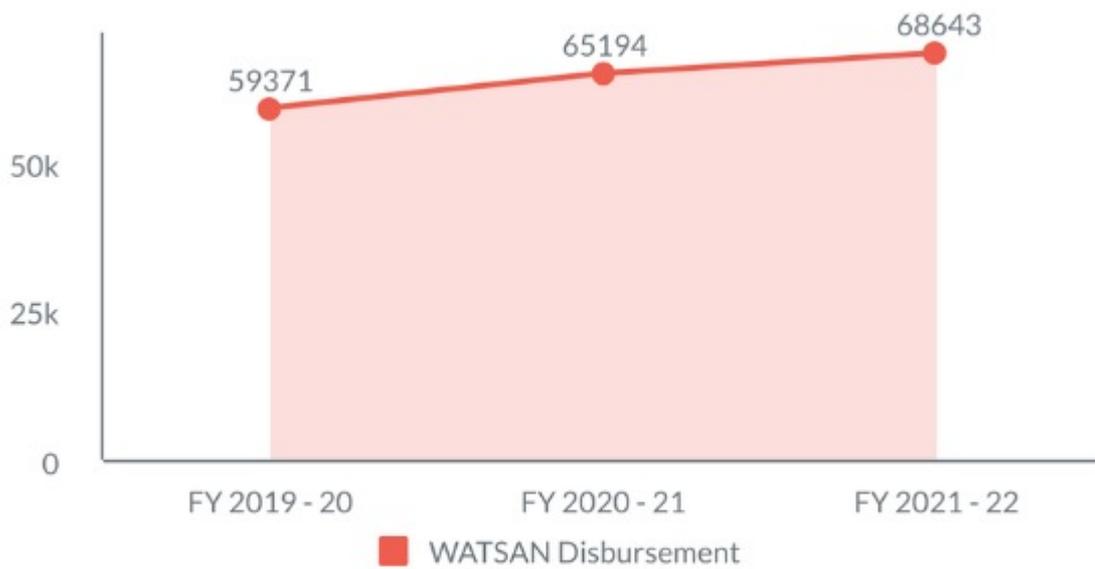
#TOILETS  
CONSTRUCTED  
**11128**  
(INR. 23.26cr)



#WATER  
CONNECTIONS  
**57515**  
(INR. 40.91cr)



#AWARNNESS  
PROGRAMME  
BENEFICIARIES  
**1284577**



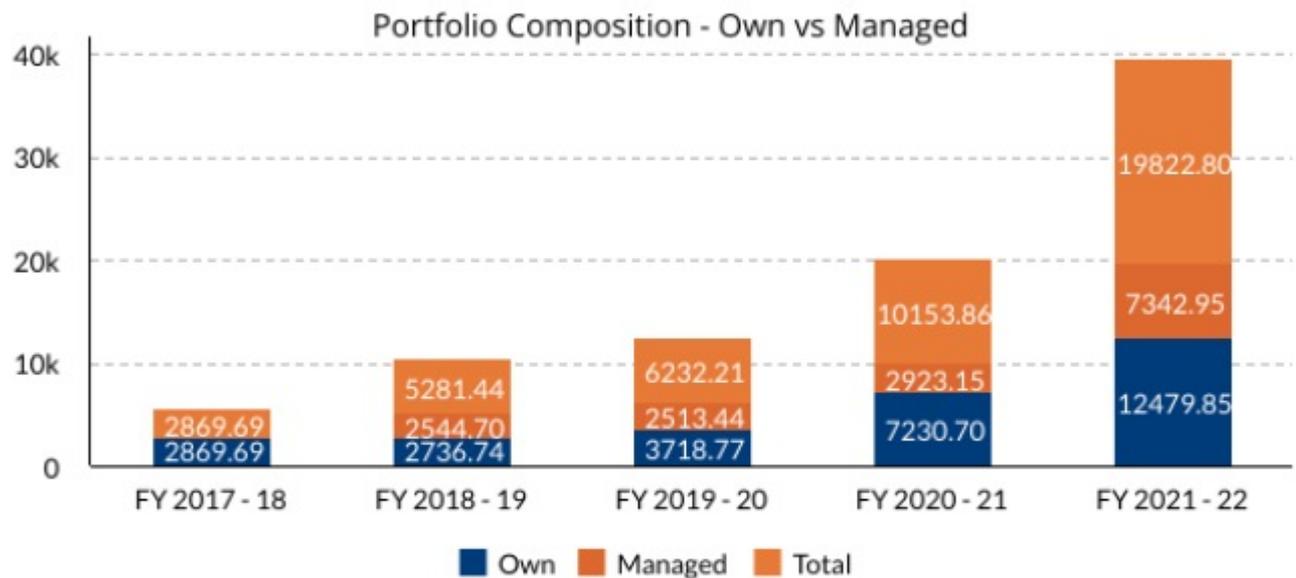
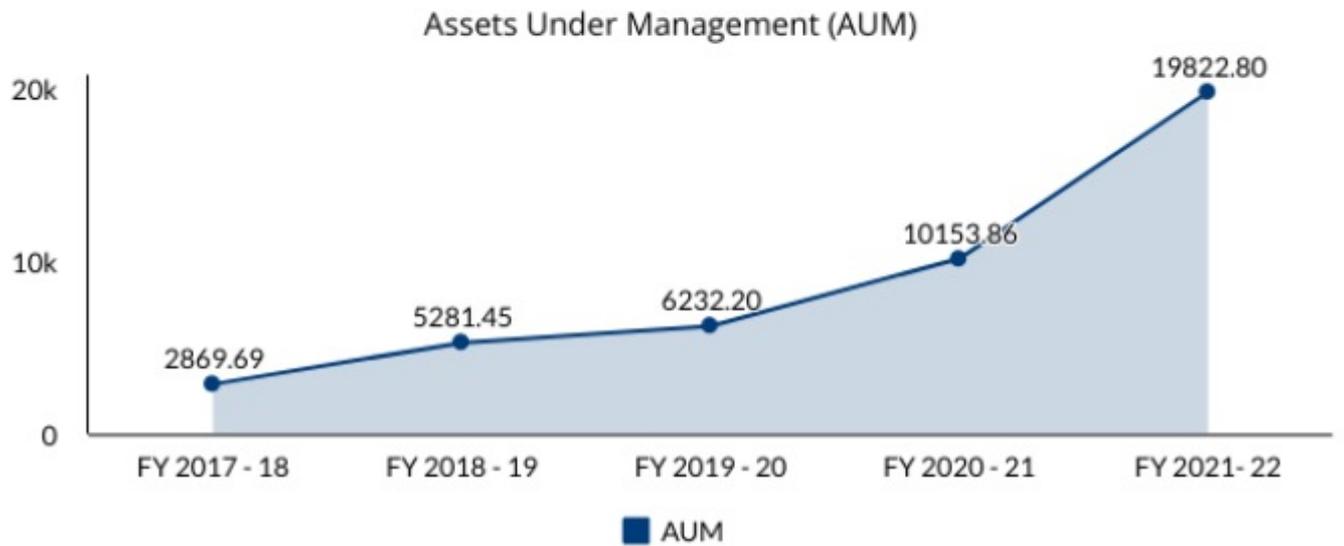


# Operational Highlights

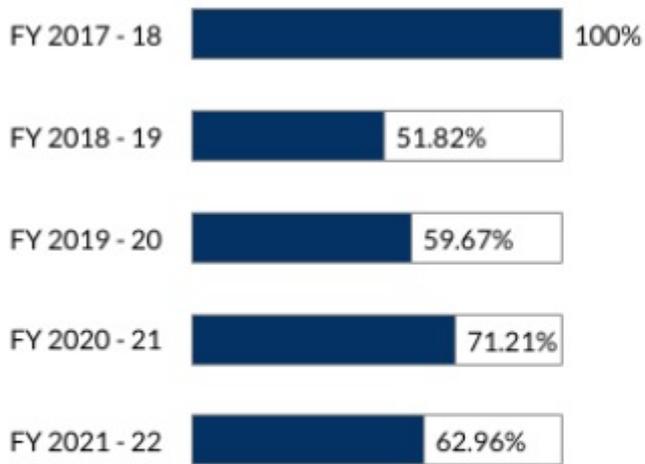
The AUM as of 31st March 2022 was INR.198,22,79,938. The breakup of the own and managed portfolio is INR.124,79,84,987 and INR. 7342,94,951 respectively. The own and managed portfolio contributes to 71.60% and 151.20% of the total portfolio respectively. The AUM increased by 95.22% and the own and managed portfolios increased by 71.60% and 151.20% respectively. SBI contributes to 84.61% of the total managed portfolio with a loan outstanding of INR.62,12,62,936.

The SBI managed portfolio has increased by 149.29% as it has increased from INR. 24,92,13,386 to INR. 62,12,62,936. The other managed portfolios include Monexo with an outstanding of INR.11,27,13,262 and Lenden Club with an outstanding of INR. 3,18,573/-.

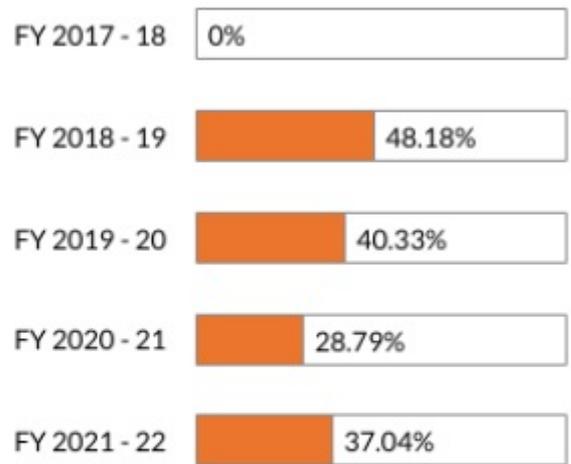
INR.192,47,93,348 was disbursed to 57,816 borrowers in the FY 2021 - 22. Disbursement increased by 87.83% in FY 2021 - 22 when compared to FY 2020 - 21. Own portfolio disbursed was INR. 118,85,23,348/- to 45,120 borrowers and managed portfolio disbursed was INR. 73,62,70,000/- to 12,696 borrowers.



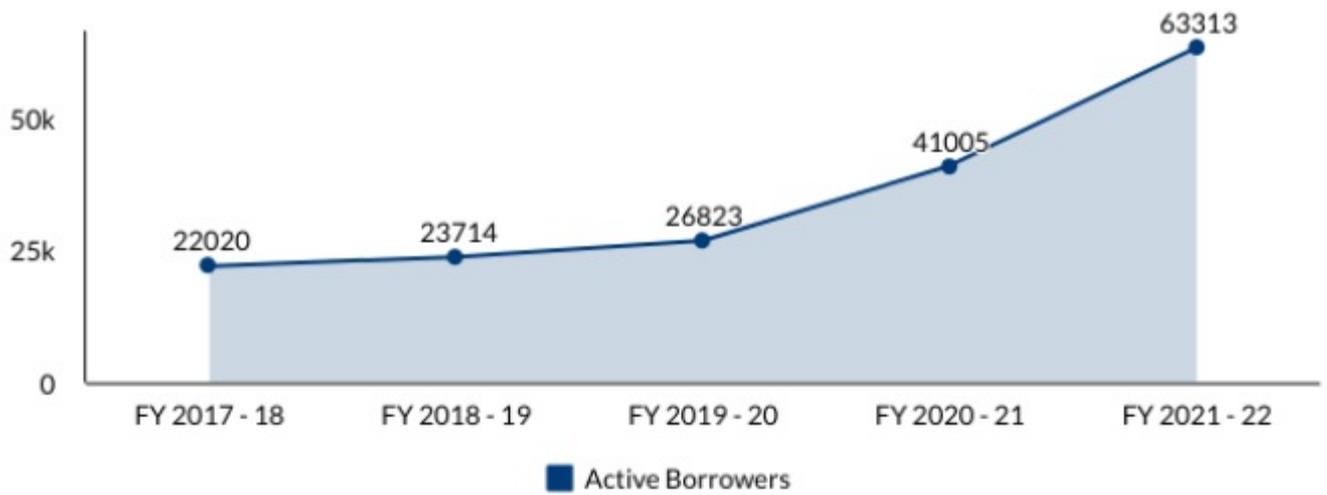
### Own Portfolio % of Total Portfolio



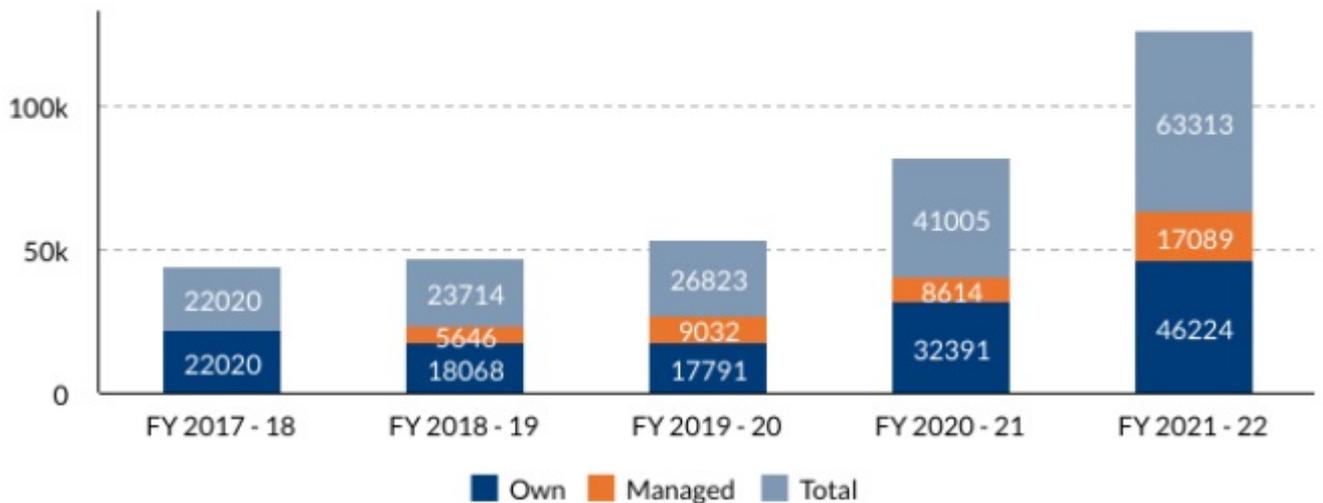
### Managed Portfolio % of Total Portfolio



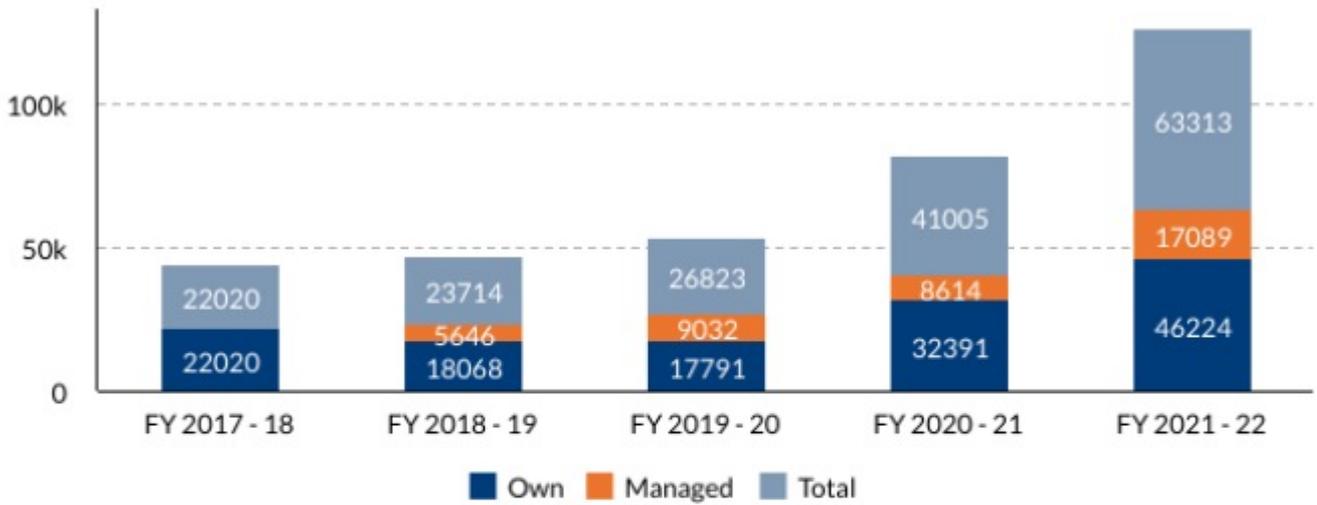
### Active Borrowers



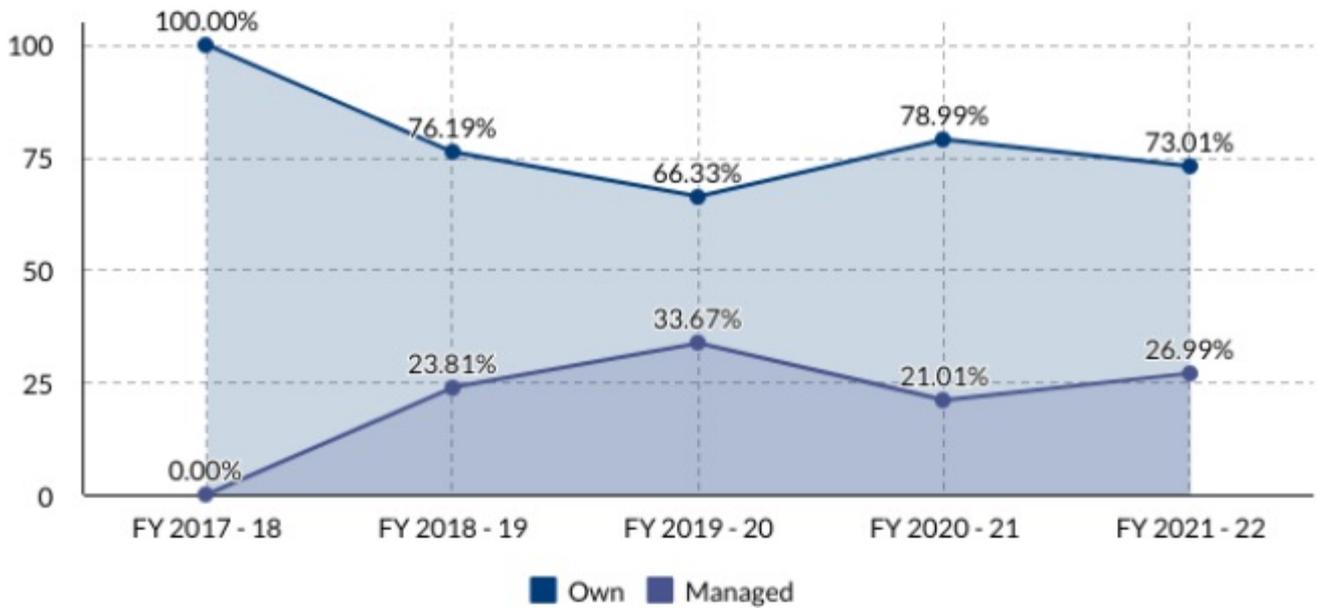
### Active Borrowers' Composition - Own vs Managed



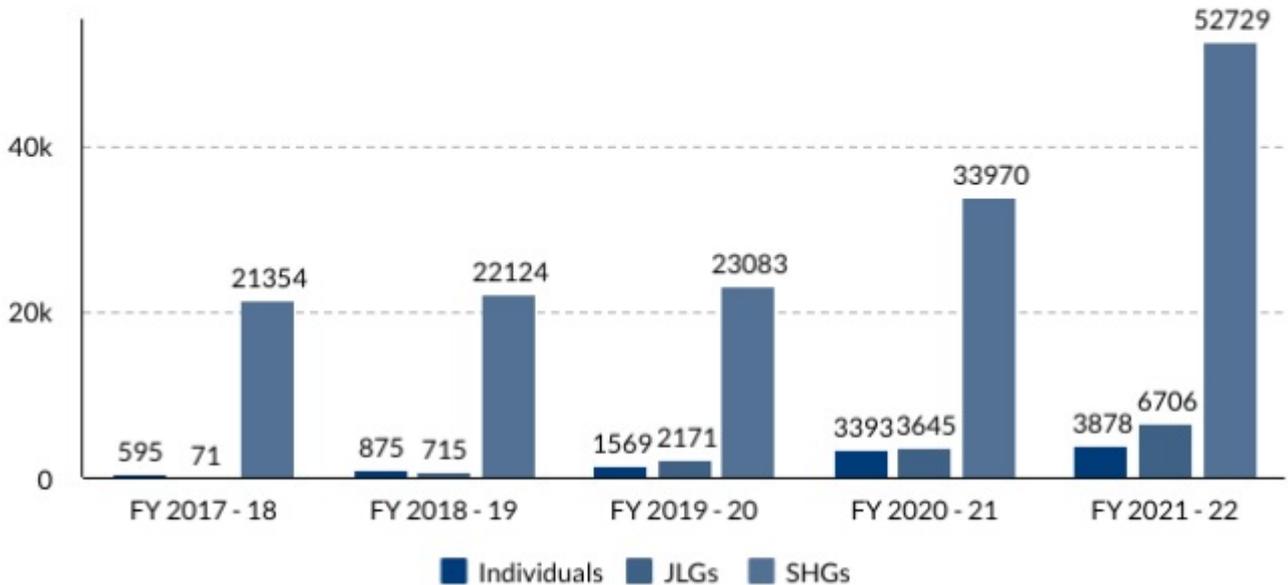
Active Borrowers' Composition - Own vs Managed



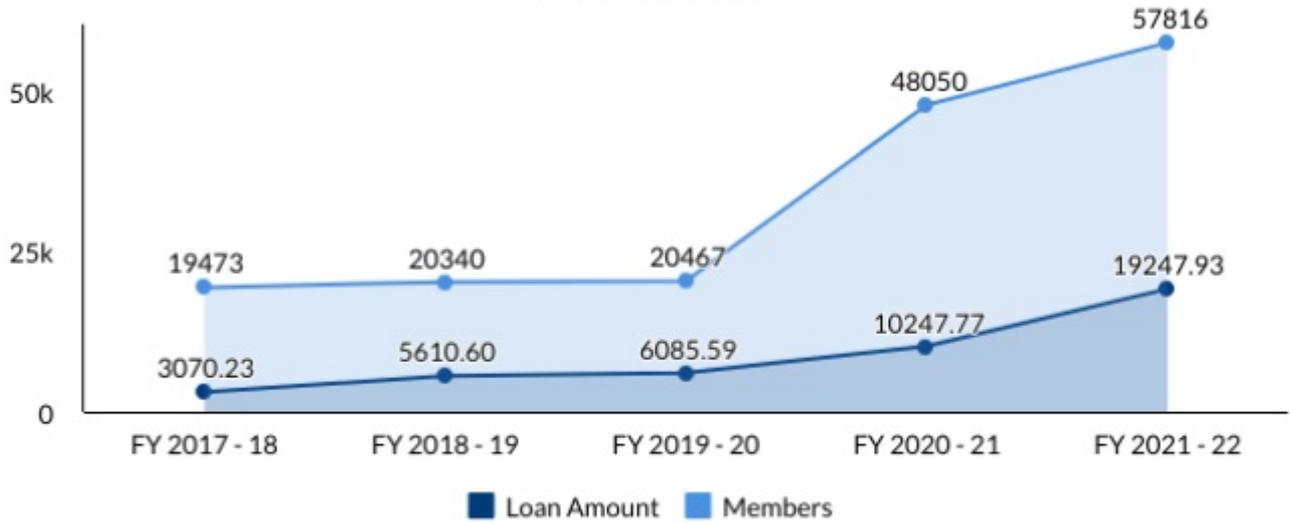
Active Borrower Composition



Active Borrower Composition



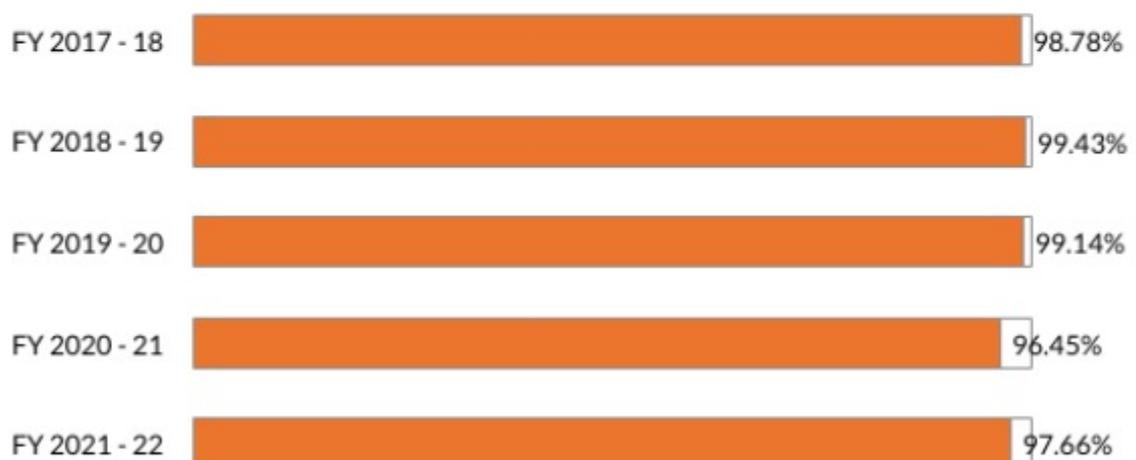
### Disbursement



### Disbursement - Own vs Managed



### Recovery Rate



### Portfolio at Risk (Par > 30)



#### PAR > 30 - Own

FY 2017 - 18	1.03%
FY 2018 - 19	1.04%
FY 2019 - 20	0.83%
FY 2020 - 21	3.56%
FY 2021 - 22	2.66%

#### PAR > 30 - Managed

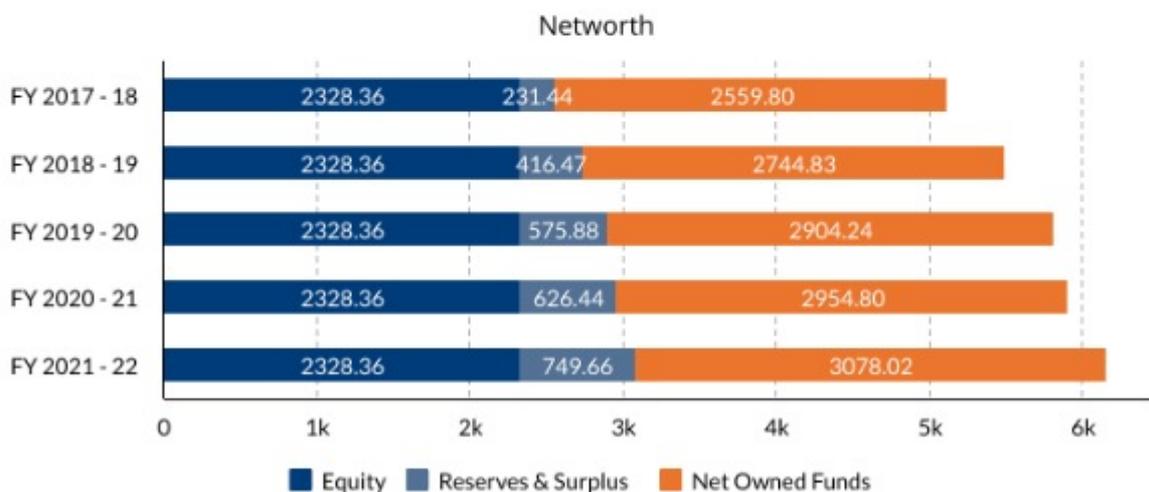
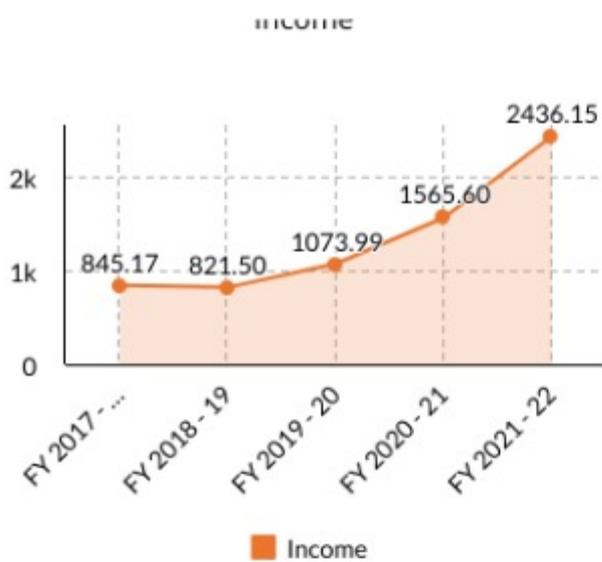
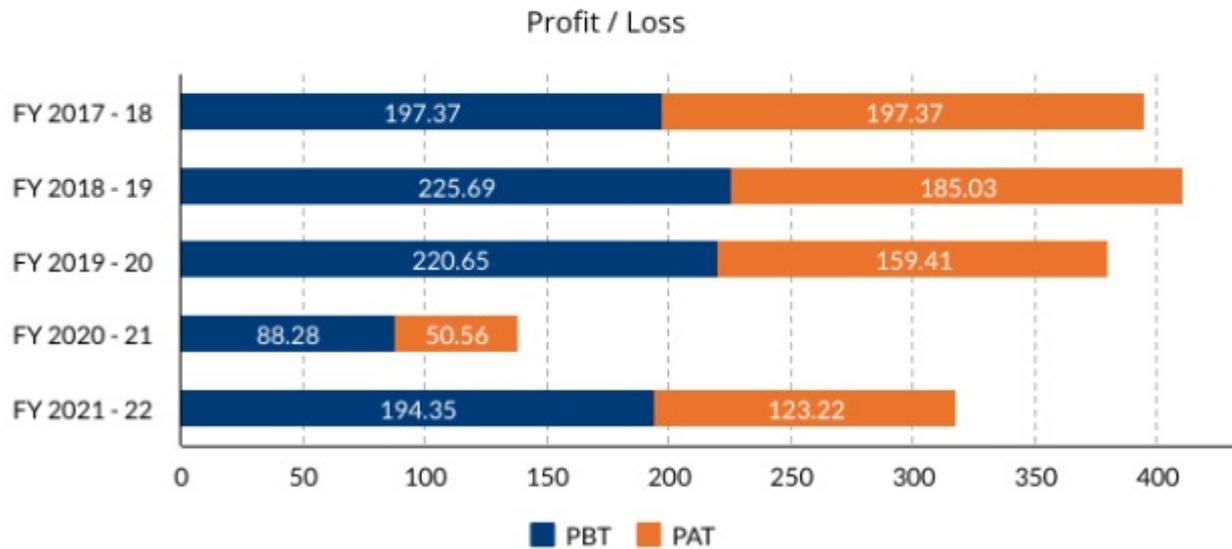
FY 2017 - 18	0%
FY 2018 - 19	0%
FY 2019 - 20	0.04%
FY 2020 - 21	0.95%
FY 2021 - 22	0.42%



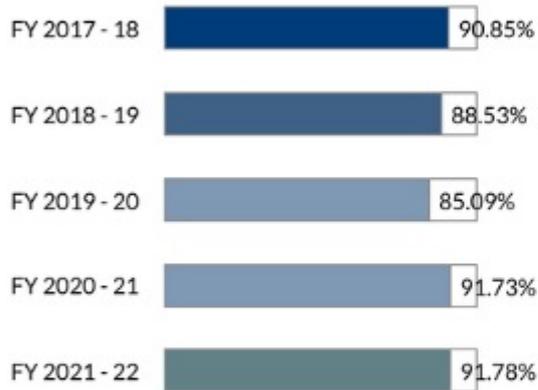
# Financial Highlights

The Total Revenue during FY22 was at Rs 2436.15 Lakhs against Rs.1565.59 Lakhs in FY21. The revenue registered a growth of 55.61% due to an increase in the Portfolio. During the year under review, our own portfolio has grown from Rs 7230.65 lakhs in FY 21 to Rs 12479.85 Lakhs in FY22 with a growth of 72.60%. During the year, we secured Term Loans to the tune of Rs 96.74. crores. State Bank of India supported us with a sanction of Rs 30 cr, Rs.20 cr from Indian Overseas Bank, Rs 15 cr from the Canara Bank, Rs.15 Cr from Bank of India, Rs.7.50 Cr from Bank of Baroda and Rs.5 cr from Dhanlaxmi Bank. Also, we secured term loans from private lenders like Electronica, Arohan. Due to these additional term loans, our Debt /Equity ratio stood at 3.58 against 1.82 last year. As per RBI guidelines, we extended the moratorium to the interested customers. The Gross profit dropped from Rs 88.28 Lakhs to Rs.194.35 lakhs in FY 22. The profitability was impacted largely due to salary revision and addition of employees to strengthen the

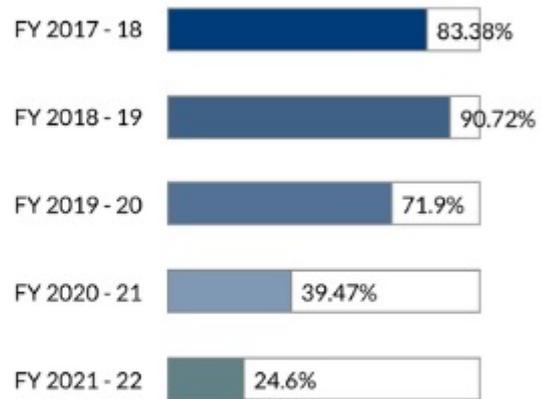
manpower base which is required to meet the company's potential opportunities that will arise in the near future. Also, the Finance cost increased from Rs.489.06 lakhs to Rs 829.82 lakhs mainly due to the additional term loans secured. Our Asset under management stood at Rs.198.23 cr comprising Rs.124.80 cr own portfolio and Rs. 73.43 cr managed portfolio.



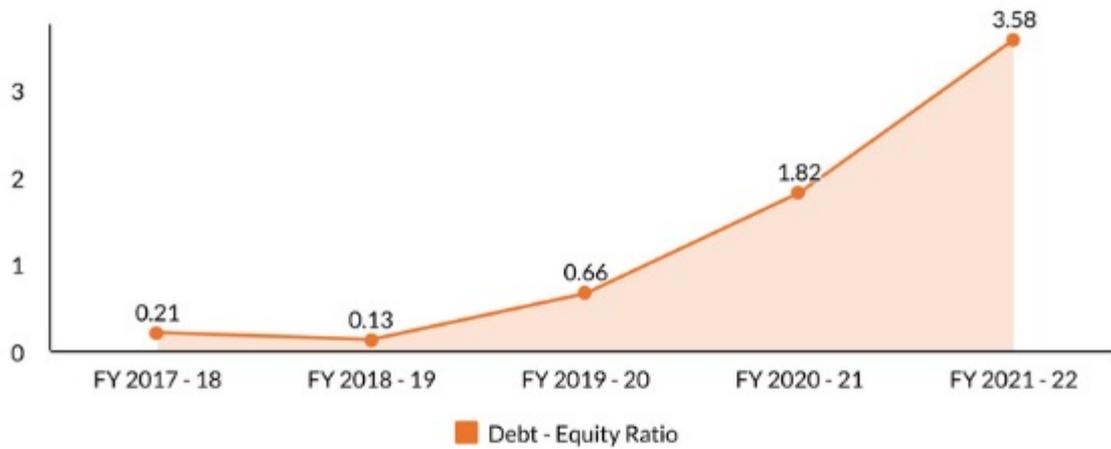
Qualifying Assets



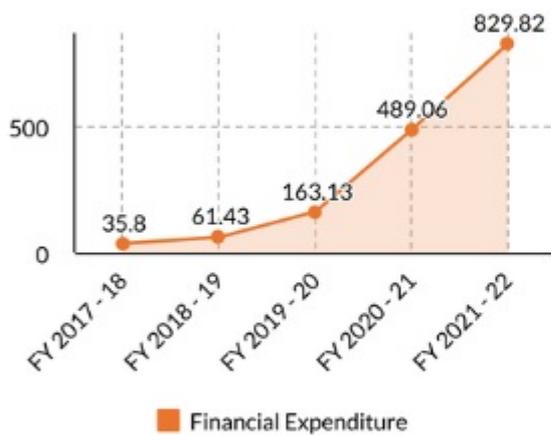
Capital Adequacy Ratio



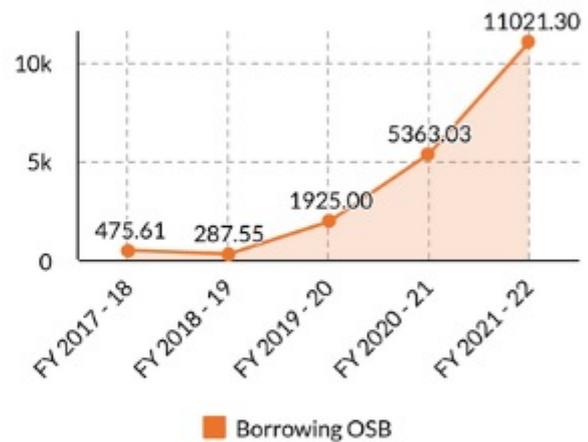
Debt Equity Ratio



Financial Expenses



Borrowing Outstanding



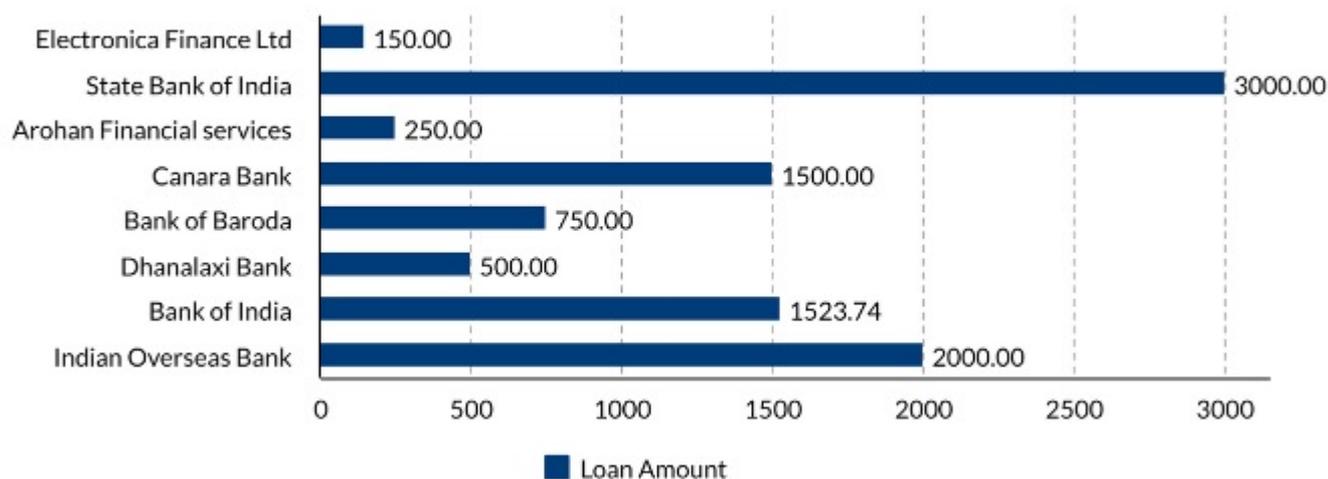
# Fundraising



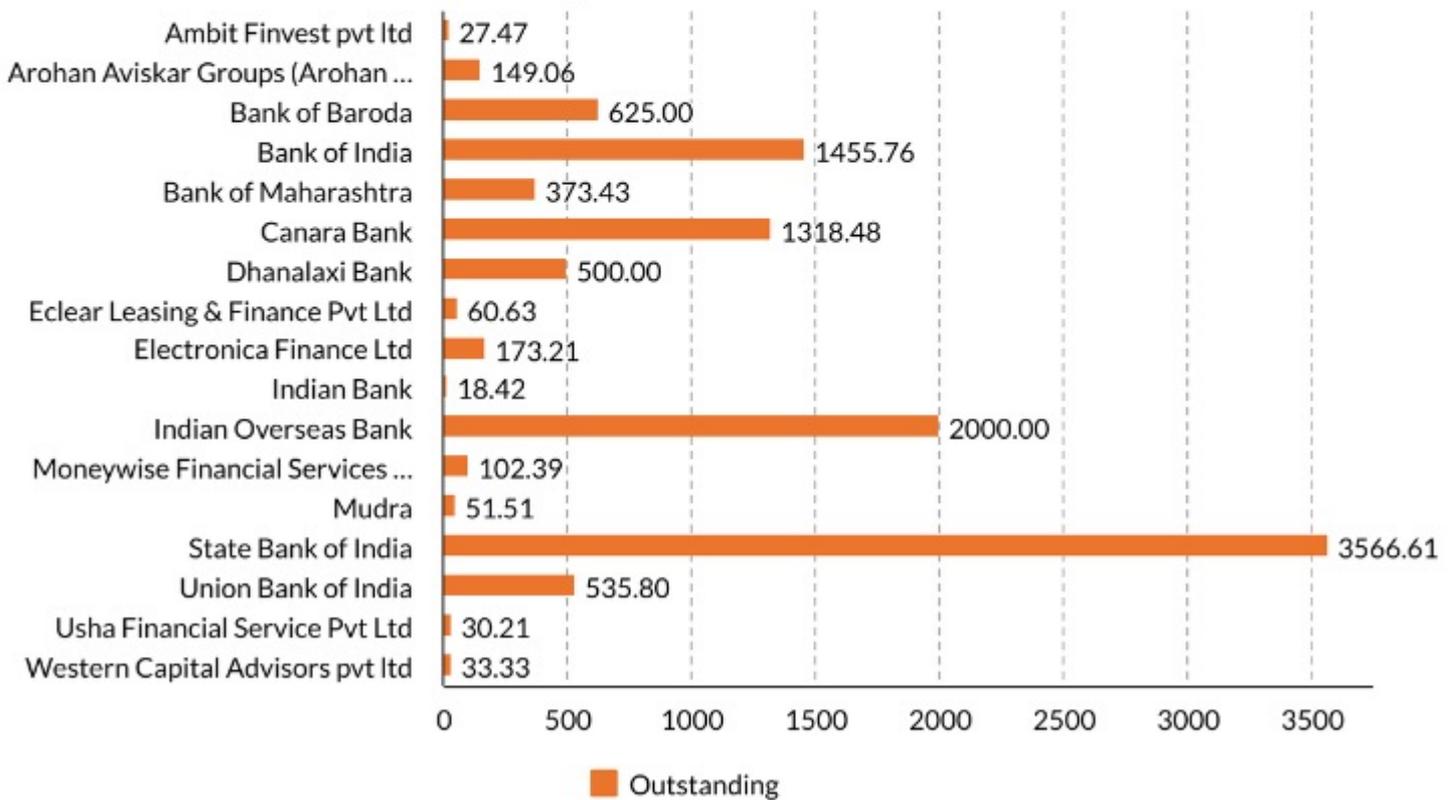
BWDA Finance Limited raised INR 96.74 crores from various financial institutions as tabulated below

Partnerships 2021-2022	Loan Amount
Electronica Finance Ltd	INR 1.50 Cr
State Bank of India	INR 30.00 Cr
Arohan Financial services	INR 2.50 Cr
Canara Bank	INR 15.00 Cr
Bank of Baroda	INR 7.50 Cr
Dhanalaxi Bank	INR 5.00 Cr
Bank of India	INR 15.24 Cr
Indian Overseas Bank	INR 20.00 Cr

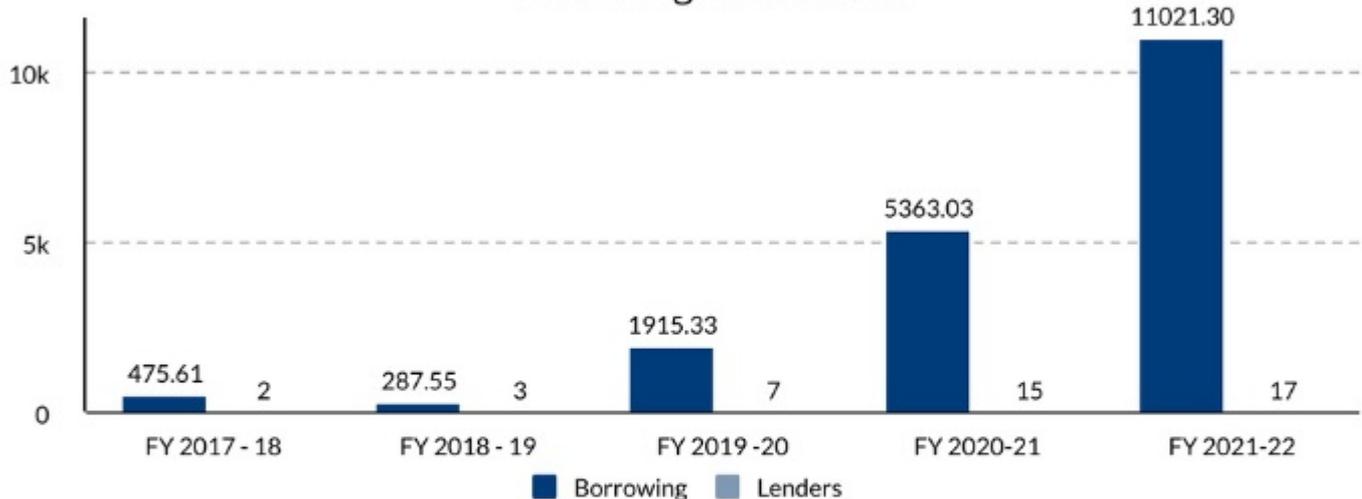
Funds Raised in FY 2021 - 22



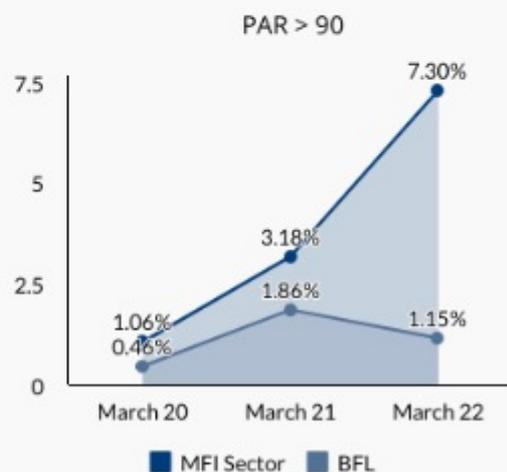
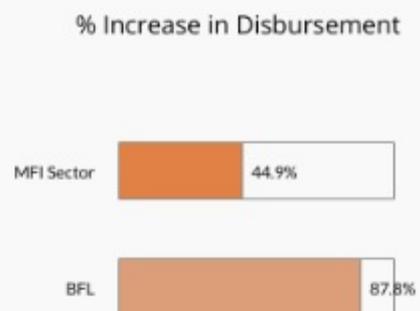
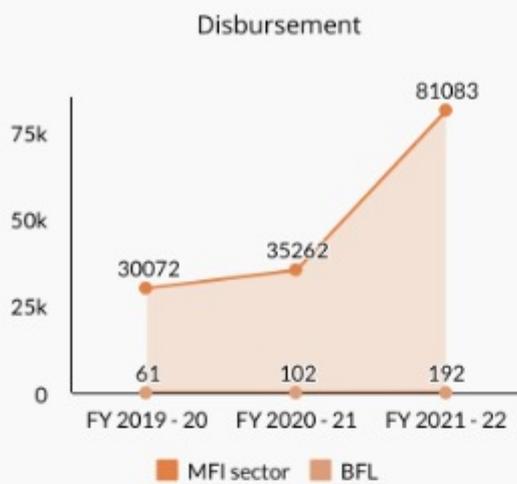
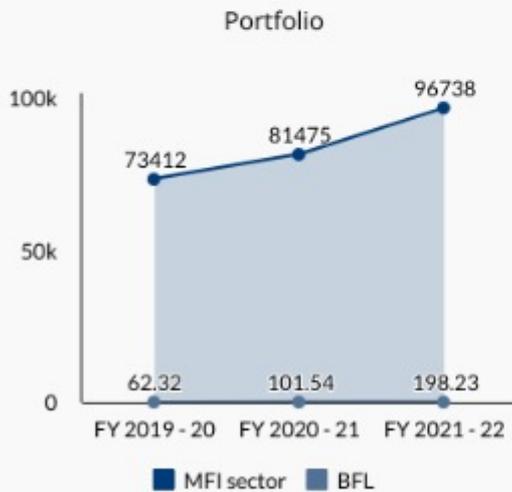
### Borrowings as on March 31, 2022



### Borrowing and Lenders



# BFL vs Industry Performance

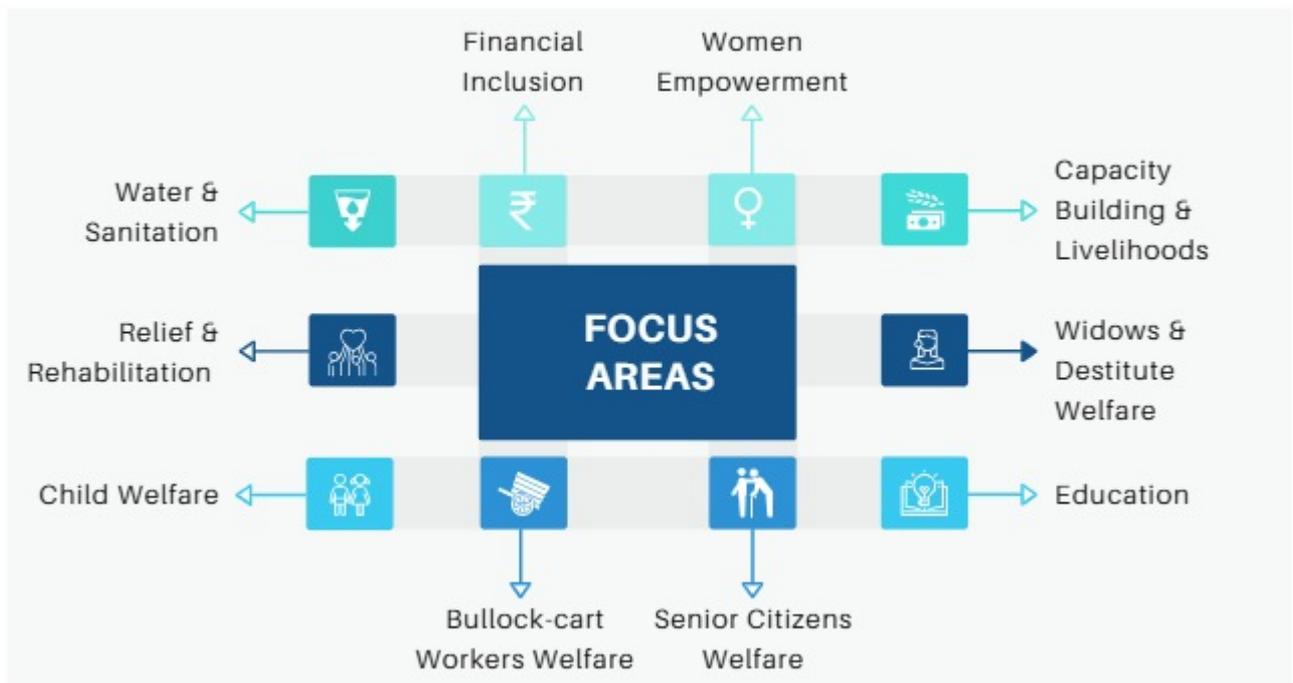




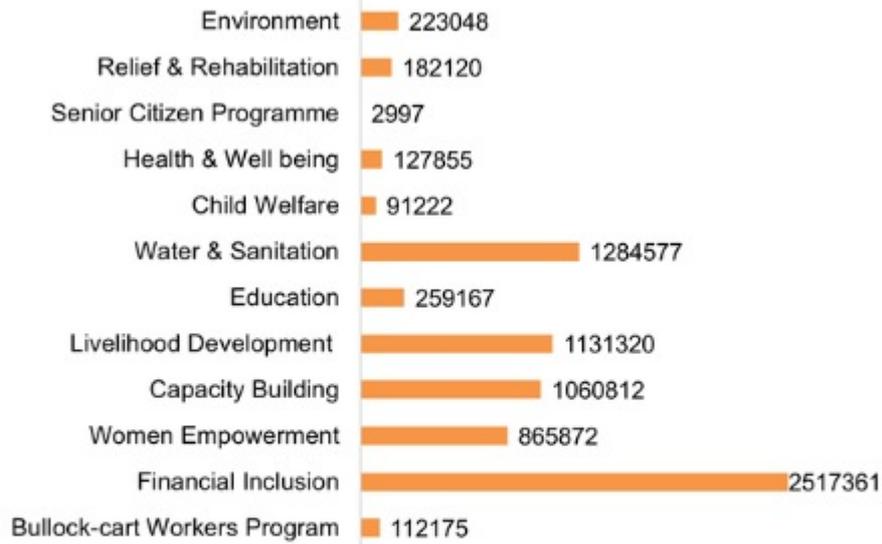
# Development Initiatives

BFL believes in the holistic development of beneficiaries. BFL through the BWDA society facilitates a wide range of development initiatives to members. Focus areas include women empowerment, education, water and sanitation, capacity building and livelihood development, relief and rehabilitation, child empowerment, health and wellbeing, senior citizen welfare, widow and destitute welfare, bullock-cart workers development, environment and animal welfare. These initiatives contribute to 14 out of the 17 Sustainable Development Goals.

BFL IMPLEMENT PROJECT IN PARTNERSHIP WITH BWDA AND OTHER DEVELOPMENT INSTITUTIONS THAT CONTRIBUTES TO 14 UN SDGS (UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS)



## Development Initiatives FY 2021-22



BWDA Pudhumai SHGs women's awareness program by Mr.Sankar Judge from District Court



Capacity building and orientation to new staff of BWDA



BWDA Grow Green



BWDA Senior Citizen's Resource Distribution



BWDA Members Get together



International Women's Day Celebration 2021



BWDA's 37th Year Celebration



Drug Abuse Program - MD interacting former SP Mr.Jeyakumar



Covid vaccination in Cuddalore and Kancheepuram;



## Livelihood Development and IGA of Beneficiaries









# SUSTAINABLE DEVELOPMENT GOALS



IMPACT: **7.85** beneficiaries



**112,175**  
Bullock-  
cart  
Workers  
Programme



**2,517,361**  
Financial  
Inclusion



**865,872**  
Women  
Empower-  
ment



**1,060,812**  
Capacity  
Building



**1,131,320**  
Livelihood  
Development



**259,167**  
Education



**1,284,577**  
Water &  
Sanitation



**91,222**  
Child  
Welfare



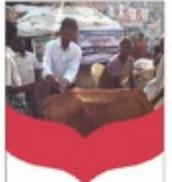
**127,855**  
Health &  
Well being



**2997**  
Senior  
Citizen  
Programme



**182,120**  
Relief &  
Rehabili-  
tation



**223,048**  
Environment  
& animal  
welfare

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email: [alphinajos@bwda.org.in](mailto:alphinajos@bwda.org.in), [joslin@bwda.org.in](mailto:joslin@bwda.org.in)

Website: [www.bwdafinanceltd.in](http://www.bwdafinanceltd.in), [www.bwda.in](http://www.bwda.in)