



ANNUAL REPORT

2020-21

**FOUNDATION FOR ADVANCEMENT OF
MICRO ENTERPRISES (FAME)**



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MESSAGE FROM THE CHAIRMAN

The United Nations states that the pandemic may have potentially reversed decades of progress made in the global fight against poverty while worsening the levels of inequality within and between nations. In India the pandemic and the ensuing containment measures caused unprecedented damage to the health of the people as well as to the economy, and the businesses that lie at the bottom of the pyramid found their resilience tested yet again. The need to support these businesses and to handhold them through this disruptive challenge could not be more grave.

I am proud to say that the FAME team, true to its vision of empowering the micro-enterprises, fought this battle alongside its members and ensured they survived this challenging situation with minimum damage to their businesses.

During the year, our ability to respond to the uncertainty and change orchestrated by the pandemic was tested, but we came out on top meeting the expectations of our members in supporting their revival. When the lockdown enforced by the government restricted our movement on the field, we held digital sessions to ensure credible and useful advisory during these exceptional circumstances. Given the large numbers as also immense possibility of improvement in the businesses of small dairy entrepreneurs, FAME spent considerable time and resources on micro dairy businesses during the current year.

“

While the pandemic will continue to pose challenges, I believe there are a large number of opportunities available to continue to deliver on our objectives.

A mobile application was also launched for dairy members to ensure uninterrupted access to multiple tools to monitor their livestock health and productivity as well as control the financial levers of their dairy business. The collaboration with Central Footwear Training Institute of Agra (Ministry of MSME) was another steady step FAME took during the year towards creating self-sustaining and resilient clusters.

While the pandemic will continue to pose challenges, I believe there are a large number of opportunities available to continue to deliver on our objectives.

FAME laid the foundation for an ethos of inclusiveness this year and in the coming years we will continue to build and strengthen micro enterprises in many more clusters.

I invite you to talk to us so we can identify shared ambitions and transform them into realistic projects for enhancing the quality of life of Indian micro-entrepreneurs.



Brij Mohan
Chairman

BOARD OF DIRECTORS



BRIJ MOHAN
CHAIRMAN

Brij Mohan is a former Executive Director of Small Industries Development Bank of India (SIDBI) and was closely involved in kick starting microfinance in India with the setting up of SIDBI Foundation for Micro Credit (SFMC) as an apex financing & development micro-finance entity in 1998. Earlier he participated in setting up the development department in Industrial Development Bank of India (IDBI) during 1980-1990. Before joining IDBI, he was member of Indian Statistical Service & held the position of Deputy Director in Planning Commission (1976-80). He is a post graduate in mathematics from Punjab University.

Sanjay Sharma is the Managing Director and the co-founder of Aye Finance, a leader in providing working capital loans to micro enterprises in India that are new to credit. During his 25 years in consumer lending, he has helped pioneer initiatives at in HDFC Bank, ICICI Bank and StanChart, that have defined the evolution of consumer banking in India. He is alumnus of IIT-Bombay and IIM-Bangalore.



SANJAY SHARMA
DIRECTOR



SHAILENDRA MAHALWAR
DIRECTOR

Shailendra Mahalwar is the former Chief General Manager of Small Industries Development Bank of India (SIDBI). During his tenure he also served on the boards of the SIDBI Venture Ltd from 2009 - 2017, Maharashtra State Financial Corporation (MSFC) from 2008 - 2014, and the Economic Development Corporation of Goa from 2006-08, among others. Prior to joining SIDBI he had worked with the Bank of Maharashtra and as an advocate in the Meerut Civil Courts. He is a law graduate from Meerut University and is a post graduate in business management from Bhopal School of Social Science.

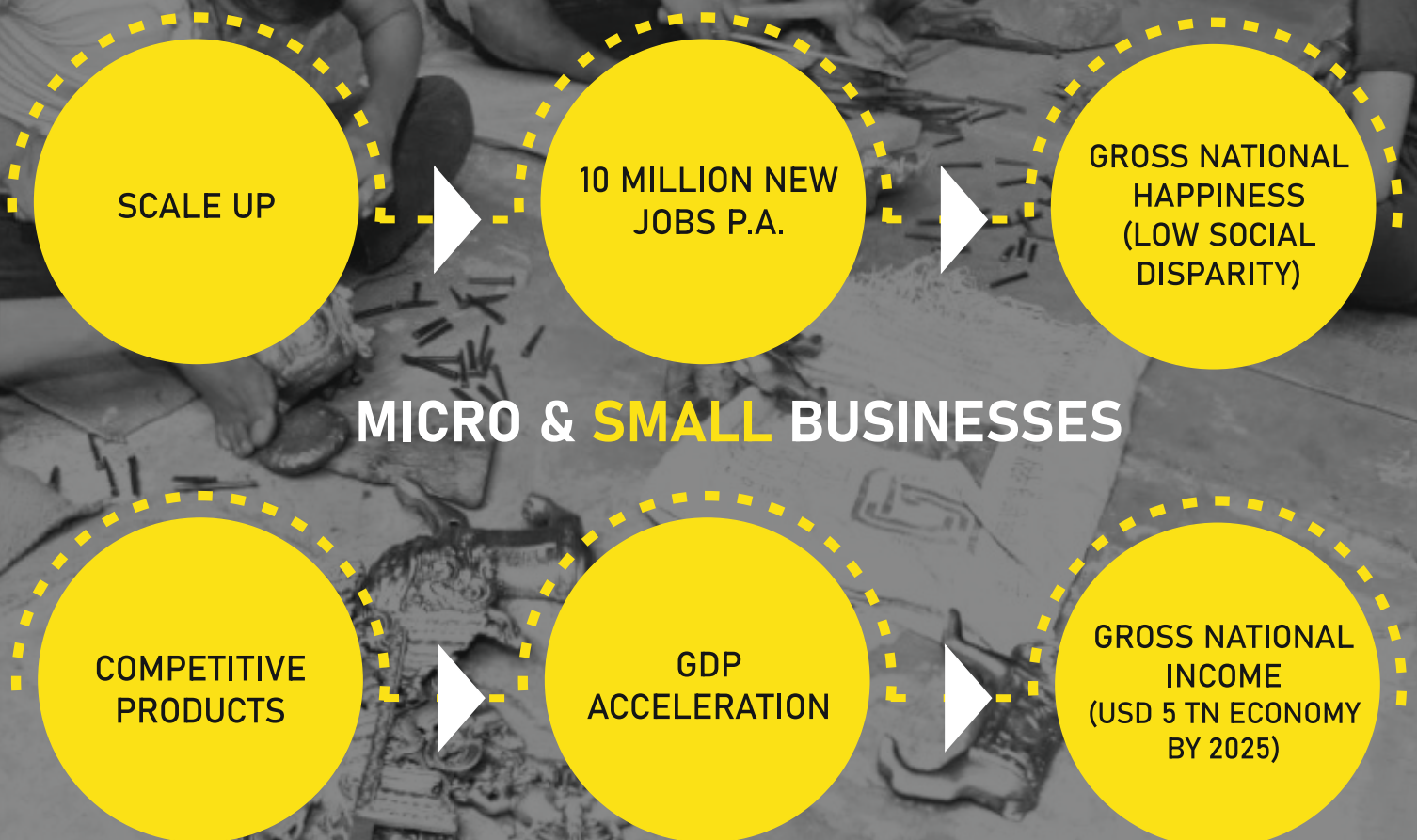
THE PROBLEM

HOW TO EMPOWER THE MICRO AND SMALL BUSINESSES IN A SUSTAINED AND COMPREHENSIVE MANNER

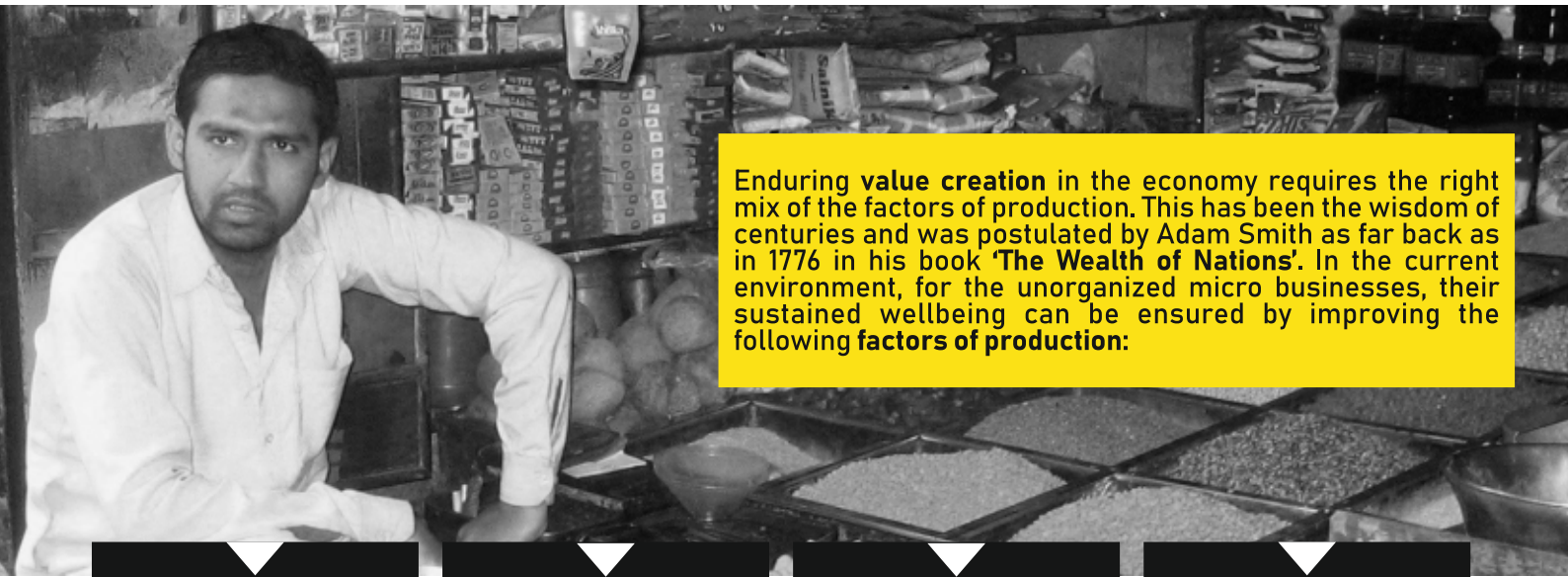
Job creation in India is the key to unlocking the demographic dividend that its billions are capable of. India must create about 10mn non-farm jobs every year to engage our young workforce.

There are many routes to solving this and the route that FAME has chosen is to amplify and harness the capabilities of the 70mn micro and unorganized businesses.

These micro scale businesses have so far contributed over 90% of the non-farm jobs and if we can improve their competitiveness and scale it may also pave the way to the USD 5tn economy that we dream of.

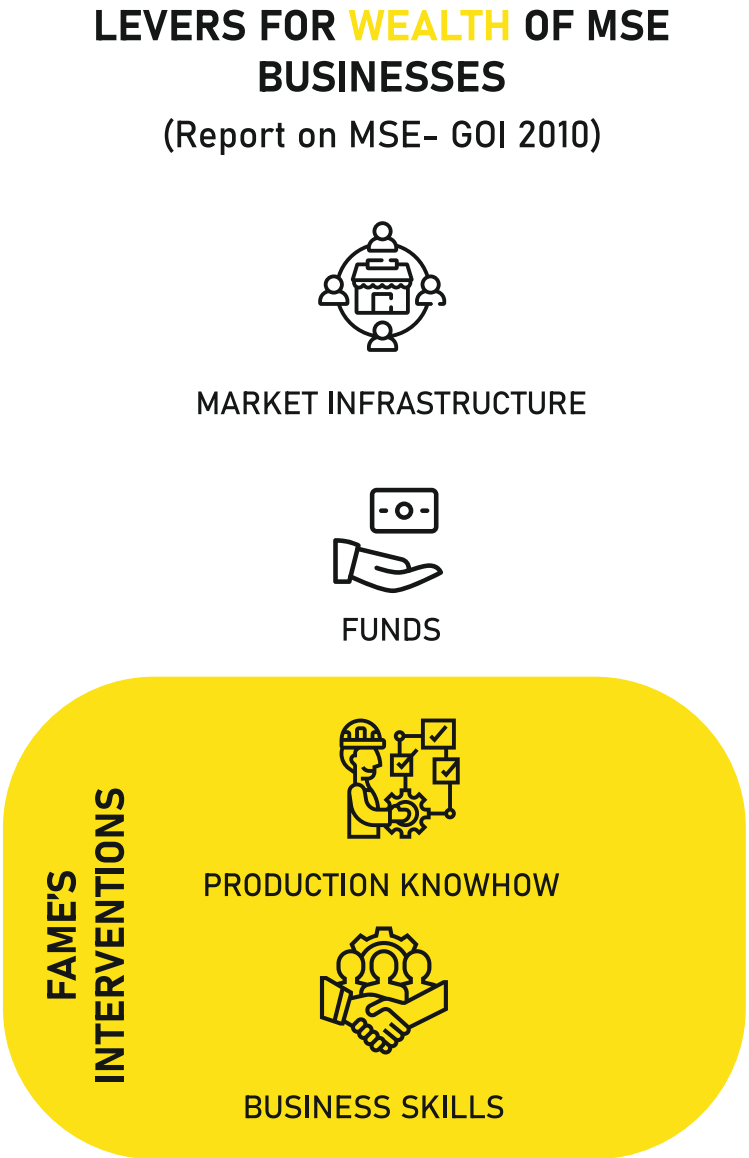
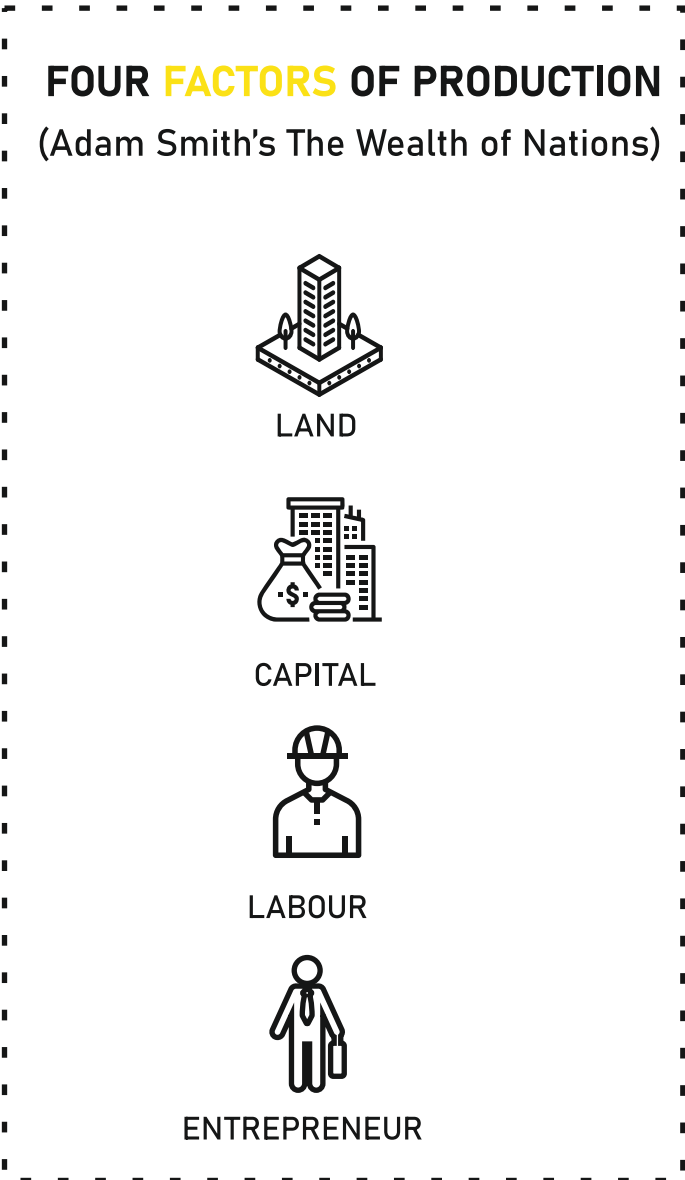


THE OBSTACLES



Enduring value creation in the economy requires the right mix of the factors of production. This has been the wisdom of centuries and was postulated by Adam Smith as far back as in 1776 in his book 'The Wealth of Nations'. In the current environment, for the unorganized micro businesses, their sustained wellbeing can be ensured by improving the following factors of production:

- Access to Funds
- Market and Supply-Chain Infrastructure
- Improved Technical Knowhow
- Enhanced Business Skills



OUR MISSION

We are focused on **building the capability** of the **unorganised micro businesses** to scale up and become competitive. This is achieved through **non-financial support** in the areas of :



Market Development



Product Improvement



Enhancing their Business and Financial Management Skills



THE DIFFERENTIATED IMPACT

We are one among a large number of entities focused on creating social uplift and delivering a positive impact in the world. However our focus on the unique problem of micro businesses truly differentiates us in the way we intend to create impact.

There are a host of excellent social impact programs that focus on health, education and environment. However there is little precedence on uplifting the micro enterprises that create jobs and bring prosperity to the underprivileged sections of the society. We have hence got to constantly innovate and pioneer programs that can help reach the desired goals for uplifting the micro enterprises.

We have endeavored to benefit and learn from the excellent achievements of programs on **women upliftment, skill development initiatives in commercial areas and agri- improvement programs** among others. We also learn from the failures of those who have attempted to improve the lot of the micro business owners and their employees.



OUR METHODOLOGY

To build competitiveness in micro businesses, broad generic interventions have had limited success historically. We need interventions customized and tuned to the specific business industry. Our team hence **uses a filter of business industry to build and plan our programs.**

Our approach looks at going deep into specific industries, understanding how they operate, what are the gaps in their business and product propositions and then design suitable programs to address these gaps.

Our approach relies on the following deliberate steps to ensure success of our programs :

Identify Business Industry



We use secondary research as well our access to primary researches done by Aye Finance and other knowledge leaders in the space. This helps us identify a business cluster that can respond well to our interventions and where the scale of impact created would be large.

Field Study of the business industry



Further to the high level delineation of the business cluster mentioned in step-1, our team visits the micro businesses in the identified geographies and collects primary information on what are the challenges on the field and what are the support institutions/ infrastructure that we can leverage in our programs.

Design the Interventions



A planned approach typically covering 2-3 year deployment is outlined and key measures of success are defined at a high level. This guides the rollout of the program.

Detailed Field Deployment Plan



All aspects of the deployment of the program are worked out – spanning from hiring, training, building customized training content for the industry, filed meeting with support groups and logistics for the program rollout.

Monitor and Improve



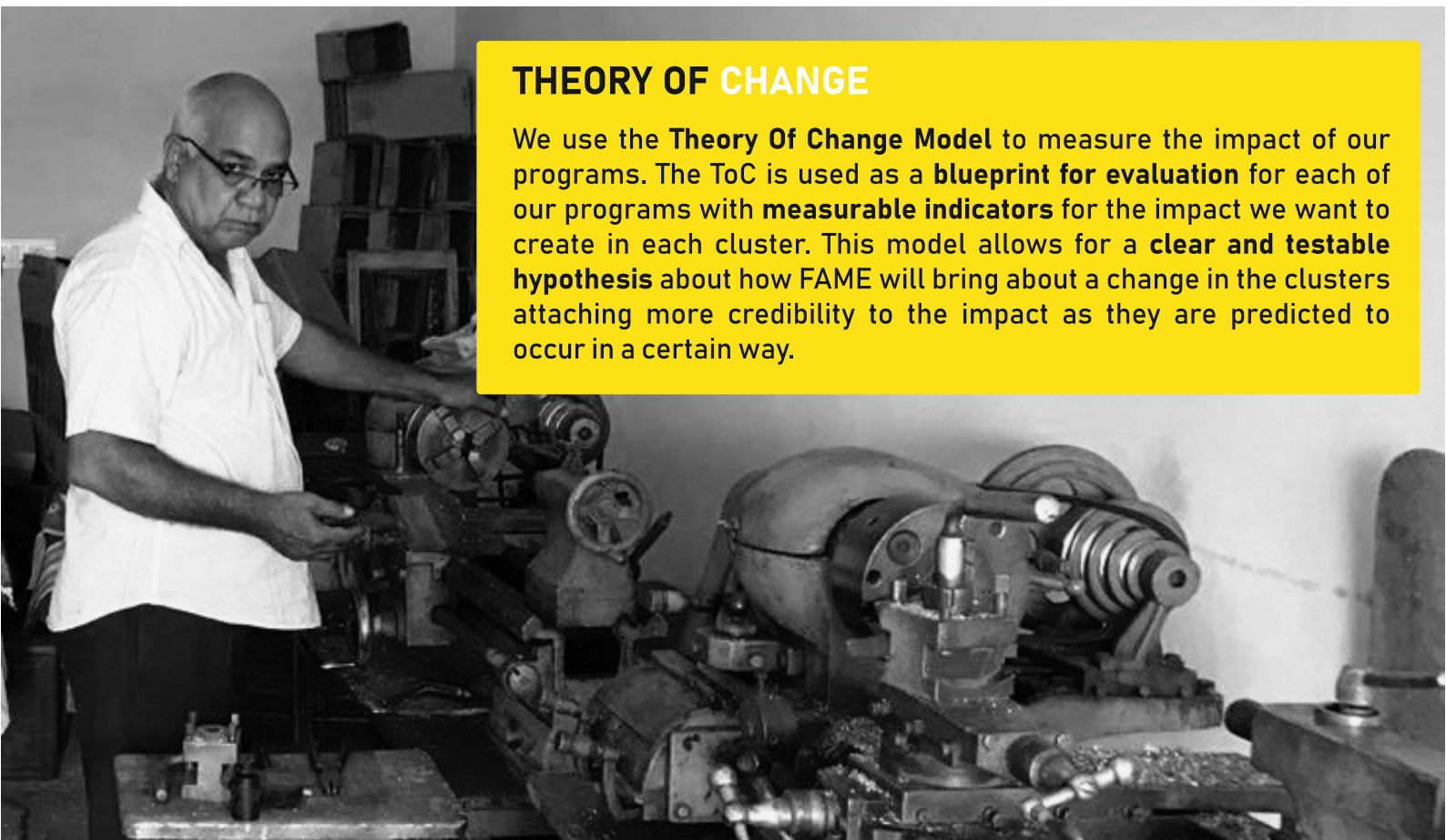
The progress of the program is measured periodically against the measures of success and milestones that were expected in our program plans.

Measure Impact and Document the Learnings



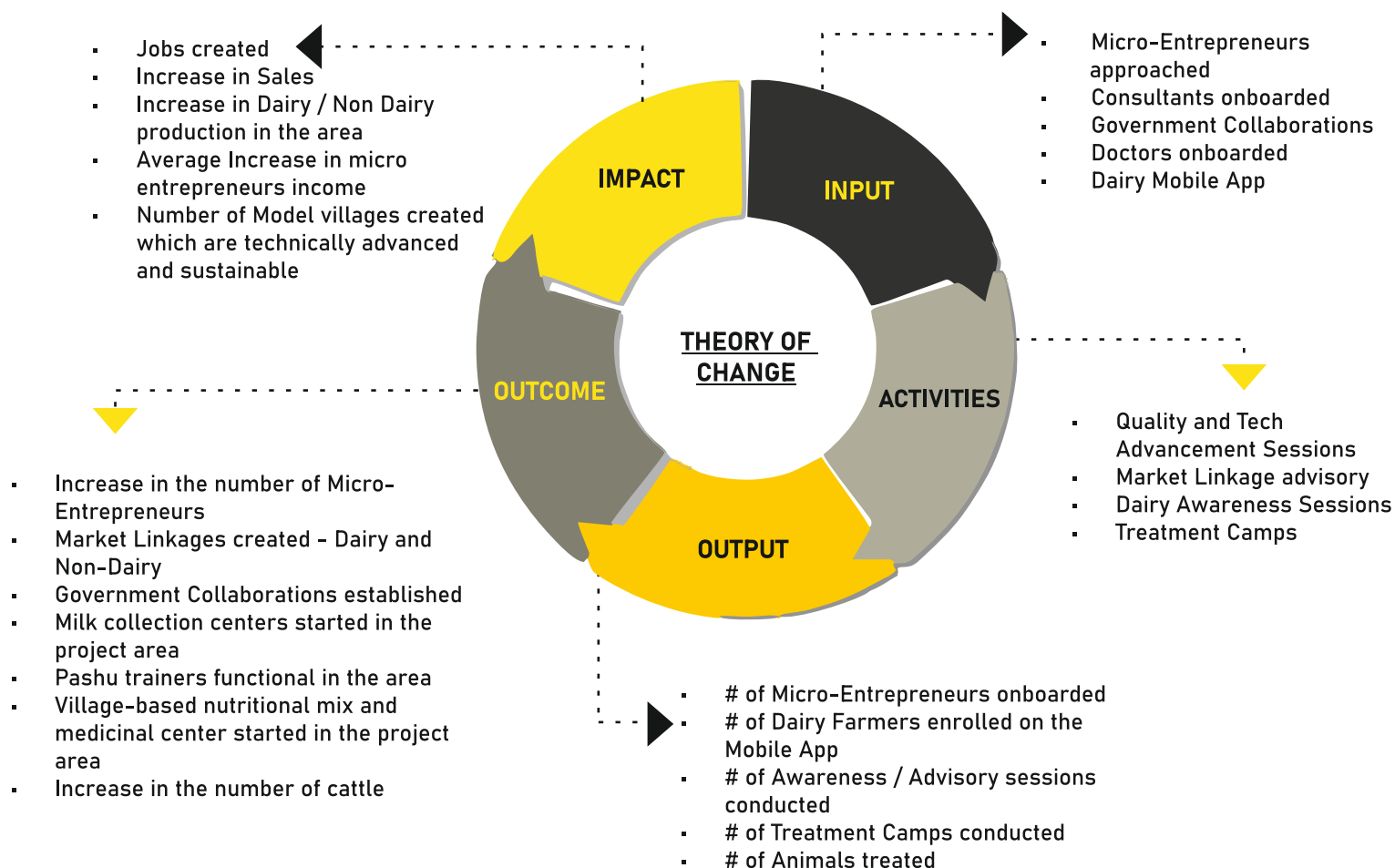
We intend to measure impact of our interventions after 2-3 years so that we may continually improve on the effectiveness of our interventions.

HOW WE MEASURE SOCIAL CHANGE



THEORY OF CHANGE

We use the **Theory Of Change Model** to measure the impact of our programs. The ToC is used as a **blueprint for evaluation** for each of our programs with **measurable indicators** for the impact we want to create in each cluster. This model allows for a **clear and testable hypothesis** about how FAME will bring about a change in the clusters attaching more credibility to the impact as they are predicted to occur in a certain way.





PROGRAMS UNDER IMPLEMENTATION

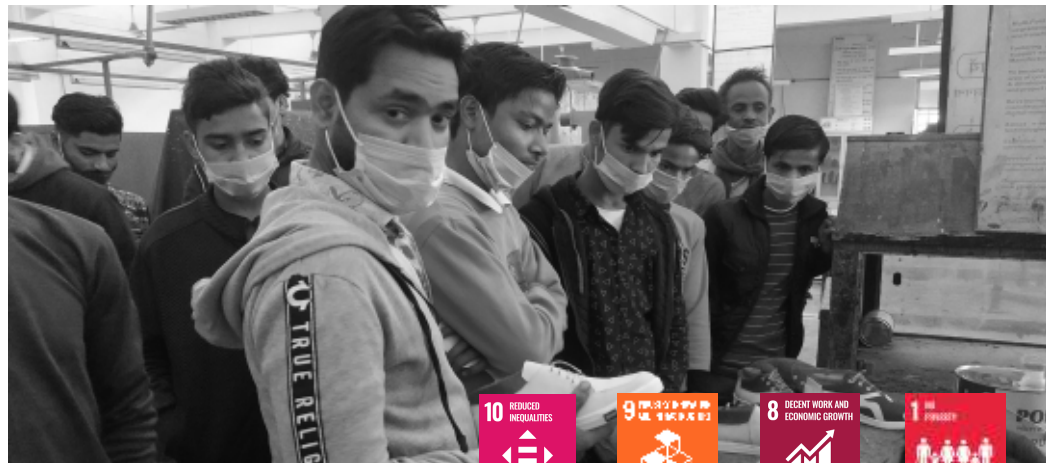
PROGRAMS UNDER IMPLEMENTATION

With our modest people and financial resources, we planned to focus our energies on the following business industries.

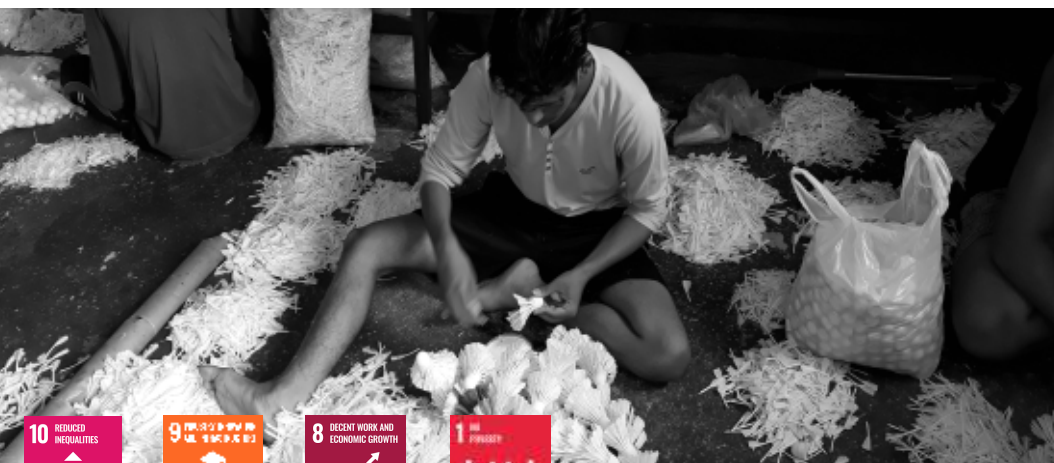
These were selected because they qualified against our yardsticks for desirability (scale of impact, suitability for our interventions) and do-ability (geographic nearness of the clusters to our offices, amount of outlay required).



DAIRY AND CATTLE REARING



FOOTWEAR MANUFACTURING



SPORTS GOODS MANUFACTURING



We decided to go deep instead of spreading ourselves across too many programs. This has helped us learn and build confidence in our ability to execute programs successfully. It should also have helped create a deeper and lasting impact on the lives of the beneficiaries touched by our programs.

DAIRY AND CATTLE REARING

India has been the largest milk producing country of the world for the last 22 years and has the largest bovine population in the world. In 2019-20, India's milk production stands at around **191 million tons (MT) which is around 20% of world milk production**. Milk production has been growing at Compounded Annual Growth Rate (CAGR) of 4.5% over the last 20 years compared to around 2% CAGR of the world.

Dairying has become an important secondary source of income for millions of rural families and has assumed the most important role in providing employment and income generating opportunities, particularly for marginal and women farmers. Most of the milk is produced by animals reared by small, marginal farmers and landless laborers.

Uttar Pradesh, Rajasthan and Gujarat have been the major milk producing states in India. **Uttar Pradesh is the largest dairy and milk-producing state** because it is home to the highest buffalo population and the second-highest cattle population in the country. The majority of rural population in the state is engaged in livestock rearing and dairying.

Despite having a significant livestock base of milch animals the following **obstacles** are hampering the growth of the Indian dairy and milk processing industry.

Cattle holdings are highly fragmented (84% of the dairy farmers in India are marginal and small farmers and own less than 5 cattle)

Profits are suboptimal (due to suboptimal scale)

Disease Management

Feed Management



FAME'S INTERVENTIONS

FAME launched its Dairy Awareness Program in 2019 to support the dairy farmers in solving the challenge of lack of credible advisory on managing the health of their livestock and reducing the medical expenditure of their farm. Our Program has been delivering the following services to our dairy members

1. DAIRY AWARENESS SESSIONS

Certified veterinarian doctors deliver sessions for dairy members educating them on how to manage the health of their livestock along with advisory on how to improve the milk production of their farm. The doctors also address specific queries of the members making it an interactive session where the members get adequate opportunities to participate and learn.



2. CATTLE HEALTH CAMP

Our empaneled Veterinary Doctors deliver health care advisory right at the door step of our members. Personalized consultancy which includes physical examination of livestock and on the medical issues faced by the livestock helps our members in reducing their expenditure on healthcare.

During these camps our doctors conduct thorough examination of the livestock, provide diagnosis and suitable solutions. During these visits, the Doctor also increases the farmers' awareness on the benefits of maintaining good hygiene on the farm and how that can reduce the instances of illness in cattle.



3. TRAINING MATERIALS ON CATTLE DISEASE MANAGEMENT & FEED MANAGEMENT – WITH NDRI- AMBALA

- ▶ An **illustrative booklet** has been designed which covers all health care aspects and has been made available to our members' as a ready reckoner to address their queries
- ▶ **Training presentations** in consultation with certified veterinarian doctors created to deliver healthcare advisory through online and offline modes



4. FAME MOBILE DAIRY APP

This year to expand the reach of our services to a larger population of dairy farmers in India we launched a mobile application to provide **E-Veterinarian and Bookkeeping Services**.

This App has been developed in consultation with top dairy experts and certified veterinarian doctors and has been made easy to navigate to match the comfort level of our members. Our mobile application is equipped with all the tools to help the dairy farmers **track the health** of their cattle along with functionalities to build business skills as well **control the financial levers** of their dairy business.

KEY FEATURES OF THE APP

A self-help algorithm to pre-diagnose and treat common diseases



Track healthcare of the cattle including insemination status, milking status, vaccination etc.;

Provide tools for better Financial Management



Keep records - track daily/ monthly/yearly productivity, sales, expenses on fodder, wages of workers and profitability.

Gamified features to make the app appealing and increase adaptability



DASHBOARD WITH CATTLE OVERVIEW



REPORTS TO TRACK CATTLE HEALTH

FOOTWEAR MANUFACTURE

India is the **second largest global producer** of footwear after china with annual production of 2065 million pairs. The Footwear sector is a very significant segment of the leather industry in India - rather it is Engine of growth for the entire leather industry. Its export in footwear segment is close to US\$ 2500 million.

The city of **Agra is the biggest footwear cluster of India** and Agra leather footwear cluster has a rich tradition of leather footwear manufacturing dating back to the Mughal era. Over the years the sector in Agra has evolved and has emerged as an important source of employment generation in northern India.

With an estimated 5,500 – 6,500 leather footwear manufacturing units providing employment to more than 100,000 people, the Agra footwear industry is concentrated in 16 areas across the city. These units operate at around 60-70% efficiency and produce close to 1.5 lakh to 2 lakh pairs per day.



The smaller setups that exist in the Agra footwear cluster despite making a significant contribution to the Industry face a myriad of challenges that are huge roadblocks to their success –

- Limited knowledge of branding and marketing their products
- Lack of adequate finance & raw material procurement.
- Minimal exposure to latest manufacturing technologies
- High wastage of raw materials due to outdated technology
- No quality standardization of finished products
- High cost of raw material procurement due to presence of middle men
- Dependence on wholesalers for reaching new markets
- High competition due to low level of product differentiation
- Lack of training on productivity and total quality management
- Low awareness about government schemes and Incentives (concessions & facilities)

FAME'S INTERVENTION

C.F.T.I.
Central Footwear Training Institute
(Ministry Of MSME Govt. Of India)

FAME has collaborated with CFTI to support the shoe artisans of Agra in overcoming the beyond financing challenges and this year set the foundation for becoming their partner in growth.

The Government of India established the "**Central Footwear Training Centre (CFTI) Agra**" in July 1963, under Small Industries Development Organization, Ministry of Industry. The Institute is academically organized into several levels of efficient functioning such as, **Theoretical classroom, deliberations on technical and management subjects, designing through modern shoe CAD system and practical training** in the state-of-art workshop & testing facilities.

CFTI CONDUCTS TWO KINDS OF TRAINING FOR OUR MEMBERS –

Technical training

Our members get trained on new product development, introduction to latest technologies and machines, awareness of raw materials, how to create better quality shoes

Our members are given advisory on how to sell their products on online marketplaces, as well as the benefits of working in groups, update on the various government schemes. Industry visits are also organized.

Non-technical training

The unique opportunity FAME is providing to its members through **exposure to new technologies, machines and digital advancements** currently underway in their sector is inspiring them to do better. Even though the sessions were launched in December 2020 we can already see the green shoots of the impact our program is creating. This association with CFTI, Ministry of MSME, GOI will help FAME **deliver value propositions to the shoe artisans of Agra** and become their partners in growth.



SPORTS GOODS MANUFACTURE



BUILDING MARKETING MANAGEMENT SKILLS TO ENHANCE LIVELIHOOD OF SPORTS MANUFACTURERS

This project provides guidance to a large number of micro business owners in the city of Meerut on optimal practices in manufacturing and marketing sports goods

The program delivers knowledge and skills around the following **three key dimensions**. Participants are evaluated post the intervention and provided certification on these capabilities:

Improving Quality of Products

Master craftsmen and quality micro-scale manufacturers are identified who had been in the business for many years. Various Quality Training is conducted by these influencers for the members. Samples manufactured post these training show visible improvement in the product.

Orientation sessions organized with consultants who specialize in e-commerce set up with Amazon. Influencers from the Cluster, who have experience of selling on online portals are also invited to speak to our members to share their experience and set realistic expectations.

Enhancing Marketing Capabilities

Improving Compliance levels and Business Documentation

Participants were sensitized to the requirements and benefits of GST Registration and the members who show interest are supported in the registration process.

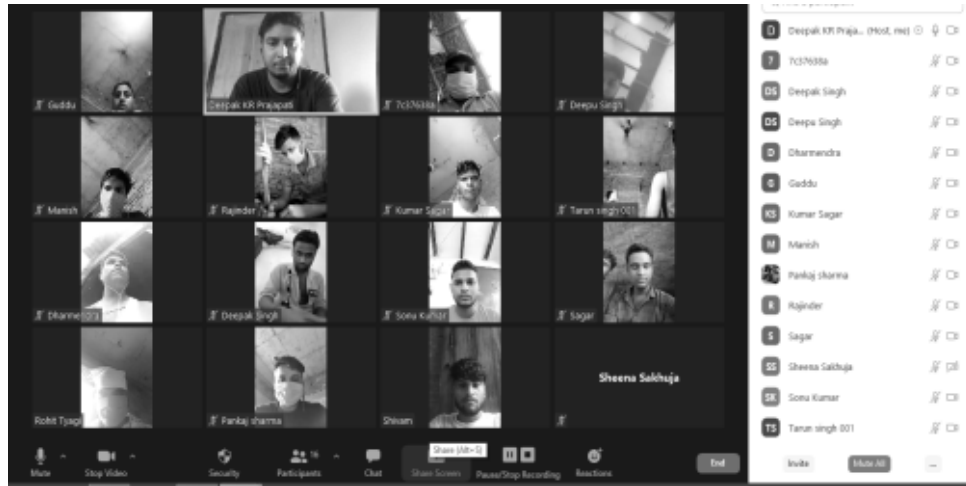


In addition during the year, looking at the urgency of need to remove the difficulties faced by the underprivileged workers and businesses due to the pandemic, we also undertook various ad-hoc initiatives, as was the need of the times. Primarily these initiatives were directed through:

COVID-19 PREVENTION WORKSHOP

FAME had been working since its inception with the sports goods manufacturers of Meerut and the Footwear makers of Agra for their advancement, and thought it fit to support them through this crisis. A COVID-19 awareness and prevention workshop was organised for these beneficiaries in the form of a webinar.

The sessions informed the attendees of the various precautions that they can follow to prevent themselves from getting infected. They were also made aware of various ways in which they can build their immunity.



Sessions in Webinar form

HONOURING AND PROVIDING SUPPORT TO CORONA WARRIORS

FAME wanted to honour and recognize the selfless acts and efforts of millions of frontline and essential workers who had not had the luxury of staying home and had led the fight against COVID from the forefront. A pan India event was organised where Corona warriors from the cities Aye Finance is present in were honoured and felicitated for their hard work and valuable contributions to the society in these times. Thanksgiving ceremonies were organised for these frontline workers which included - doctors, nurses, police, municipal workers, and community leaders. During the events safety kits including sanitizers, masks and gloves were also distributed.

Press Coverage

आय फाइनेंस कंपनी प्राइवेट लिमिटेड ने किया, कोरोना वारियर्स का सम्मान

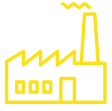
पूरब टाइम,दुर्ग। आय फाइनेंस कंपनी प्राइवेट लिमिटेड जोकि विगत 7 वर्षों से बिजनेस लोन के क्षेत्र में कार्य कर रही है ने अपना सातवां स्थापना दिवस कोरोना वारियर्स के साथ मनाया जिसके अंतर्गत आय फाइनेंस कंपनी की दुर्ग शस्त्रा ने धर्मश नाका रोड में स्थित स्वच्छ भारत मिशन संस्था ने जाकर कुल 50 सफाई कर्मचारियों का आभार प्रकट करते हुए सेमान किया सेमान के पश्चात 50 सफाई कर्मचारियों को मास्क एवं सैनिटाइजर संस्था की ओर से बांटे गए एवं उनका उत्सवार्चन किया गया।



Felicitating Policemen

OUR GEOGRAPHIC FOOTPRINT

3



Clusters

38



Villages

1500+



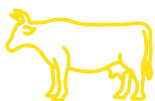
Lives Impacted

3400+



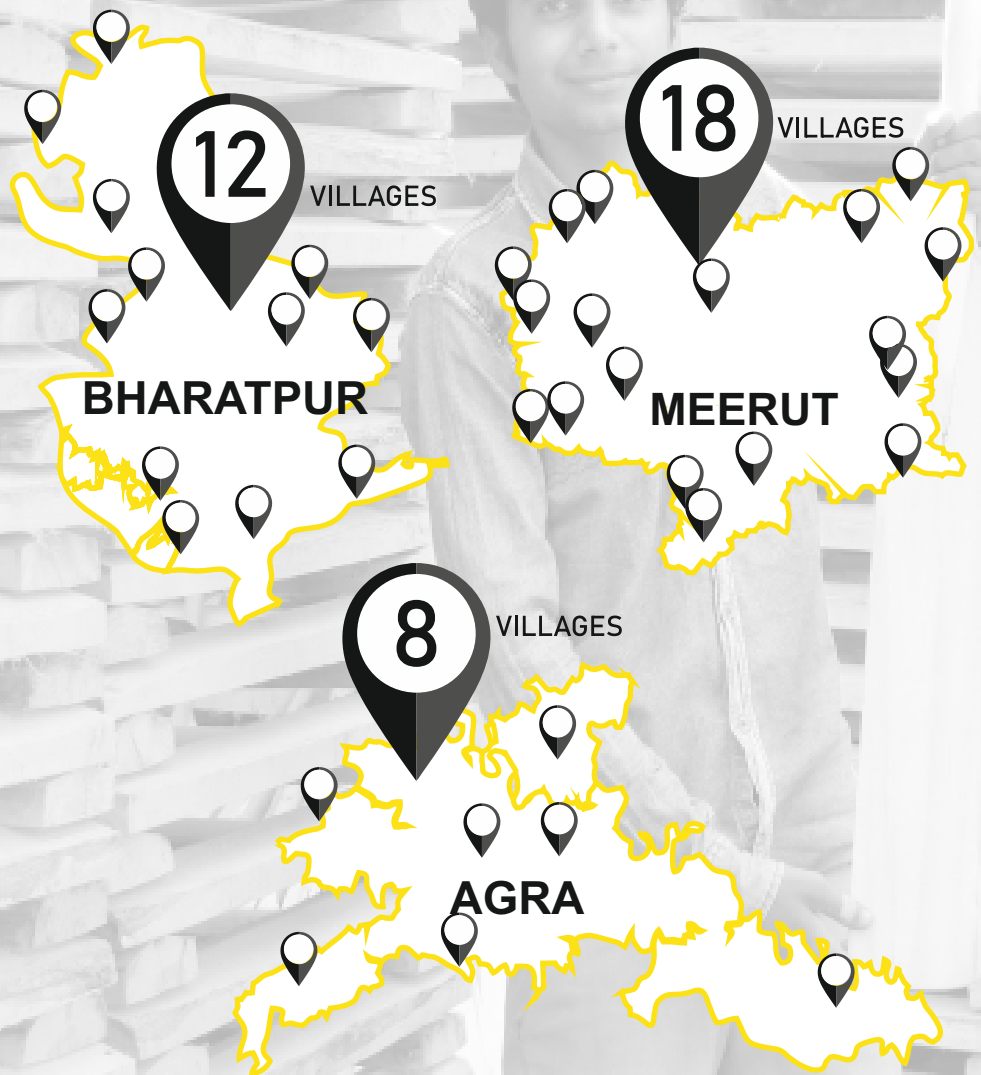
Man Hours of Training

3000+



Livestock Treated

OUR PRESENCE



CUSTOMER SUCCESS STORIES

SHRI LALTA KUMAR

Fame Supporting Footwear Artisans To Adapt To The Demand Of New Age India



Agra has been well known for the Taj Mahal but at the same time many would be surprised to know that it is also well known for its footwear cluster. There are families of footwear artisans who have been crafting leather into fine shoes for past many generations. One such artisan family is that of Shri Lalta Prasad, who now has a small family of a wife, two sons and one daughter. In spite of belonging to a traditional footwear artisans' family, Lalta Prasad's father was thrown out of this business and had to close his unit completely due to business losses. Lalta struggled hard to restart his business and slowly with his hard work and determination, tried to come up in his business.

FAME team's field coordinator while conducting their field survey met Lalta Prasad and found a spark in this young man. They found him to be very genuine, hard working and ambitious to take his business to the next level. Lalta expressed that though he knows the traditional ways of footwear design, production and marketing, he lacks knowledge, information and exposure of modern changes happening in the footwear industry.

Based on such demands coming from various footwear artisans, FAME team started a series of sessions and training programs for footwear artisans in Agra. Lalta Prasad attended a few of such programs and got new insights into the work he is doing. He expressed that he attended the training arranged by FAME and CFTI where he came to know about new things to improve the quality of his products. For the first time he came to understand that the testing of the quality of shoes is possible through machines and that it is also possible to determine the fair price and expiry date of the same based on its quality and strength. He also came to know the difference between Rexin and leather and how both can be made more comfortable for the clients.

He acknowledged the good work of FAME for thinking and planning for the footwear artisans. He is looking forward to more such sessions by FAME and getting exposure where he can see, learn and expand his mindset and do better work. He is looking forward to visiting FAME's associate partner -CFTI (Central footwear Training Institute, Agra) to see the modern machinery and work out possibilities if some of these can be replicated in his unit.

GOVIND KUMAR**Riding Out The Storm**

Every morning for the past 15 years, Govind Kumar, a dairy farmer from Meerut, has followed an unchanged daily routine. He wakes up and helps his wife pack lunch for the kids, and then goes out to the farm to wash and feed his cattle. An owner of over 10 cows, he has always cared for them like his own children. However, when the entire country went into a lockdown in March, 2020, his life was turned around as much as everyone else's. Resources were scarce, families were isolated, and life seemed to have come to a halt. But he had a family to feed, so business had to continue.

On one such morning in the month of May, 2020, Govind was pacing up and down in his house on his return from the farm, with his face giving away the agony in his mind. Lately, almost half of his cattle had not been productive and were showing signs of disease. In the middle of the pandemic when uncertainty had plagued everyone's minds, the slowdown in business was proving to be a huge trouble for Govind. Supplying milk to dairies and restaurants was his main source of income, and with the lockdown shutting down most restaurants, he was fighting tooth and nail to be able to feed his family. Unable to get credible advisory, he had been incurring even more healthcare costs for his cattle, increasing his financial burden two fold. He urgently needed to consult a qualified veterinarian and get reliable medical advisory for his cattle. Govind frantically called up numbers to nearby clinics, trying to get hold of a medical professional who could perform an accurate diagnosis. Due to the pandemic doctors had limited their availability and no one was ready to visit his farm to examine the cattle.

Distraught, he was about to give up when he remembered the Dairy Awareness Session conducted by FAME that he had attended in the last year. He dialed up the contact of Rohit, FAME's field officer who he had connected with post the session. Rohit informed him about the webinar-based cattle health camps being organised by FAME during the lockdown, and even hand-held him in setting up the session on his device through Zoom. Govind then enrolled himself for the session being conducted by FAME's in-house veterinarian Dr. V.K. Bansal, a veteran of the army. The doctor shared helpful tips and measures for treating common diseases in cattle and ways to maintain hygiene in farms. Following this the floor was opened to questions, when Govind shared the condition of his cattle with the doctor. Dr. Bansal performed a diagnosis based on the symptoms of swelling and inflammation described by Govind. The cattle were diagnosed with Mastitis, a highly infectious disease. He prescribed oral and ointment based medicines which immediately started improving the condition of the cattle. The prescription was also shared on Govind's phone by Rohit and a follow-up consultation was also provided to ensure that his cows were recovering well.

In a short time, the cattle started showing signs of improvement and their production capacity not only came back to pre-disease levels, but also increased with help from the dietary advice provided by the doctor. Govind started fulfilling the milk demand of multiple dairies in his area and his revenue had doubled within the next few months. He could lead his family through the pandemic safely and with financial security. He is now a regular member of FAME and participates in all sessions and events conducted by us.

GET IN TOUCH WITH US

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