



Annual Report 2019-20

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FOREWORD BY DIRECTOR

ASA Development Services continued its endeavors in focused manner in the last year to help poor to be self reliant. This year was very impactful in terms of reach to larger area and community; addition of program like water and sanitation finance; product diversification within the existing livelihood finance program.

ASA Development Services increased its direct presence to seven locations from just three locations in last year; forged new partnerships in the reporting year with like-minded entities to further amplify the coverage, reach and impact among the target community. The key collaborators of ASA Development Services include Avanti Finance, Nabkisan Finance, Samunnati and Friends of WWB India.

Another important stride in this year has been induction of new team members to meet the requirement of increased scale of operation, which was essential to reach out to more than 1500 Households.

The year went off well with intensification of credit support program but had to take up the challenges towards the end of the year with onset of COVID-19 situation leading to imposition of lockdown. ASADS team took up the different role of development facilitators and helped community with relevant information, awareness, preventive measures and distribution of safety gears like mask, soap and sanitizers within its invention villages along with team of ASA.

ASADS also provided relaxation to its credit service clients to defer repayments for three months in case of difficulty to reduce stress on community due to unforeseen condition brought in by COVID-19 induced lockdown.

ASA Development Services is leading its mission with successful stories of marginal farmers taking long leap with tiny loans and support. The challenge for the next year would be to restoring the normalcy of business and reaching out to more small and marginal farmers for asset creation in the farm sector, a must do for creation of new jobs and wealth in our already stressed agriculture sector.

I take the opportunity to thank all our stakeholders including community members, donors and others who have helped us in our endeavor. Last but not the least our team members for their leadership, commitment and indomitable will power to make the programme success.

Thanking you

Ashis Mondal

Director



MISSION

To help poor to be self reliant.

INTRODUCTION

ASA Developmental Services (ASADS) is an independent body promoted by Action for Social Advancement (ASA) operated by enthusiastic developmentalists striving to make a difference in the lives of marginal and poor farmers. Started in 2007 as a non-profit company, the organization was registered under Section 25 of the Companies Act 1956 (now Sec. 8, Indian Companies Act 2013) with a basket full of prior experiences in working with rural and tribal communities. ASADS primarily aims to utilise in-organic approaches of partnership, collaboration, pooling of resources, and knowledge to ensure capacity enhancement in order to accelerate the pace of development initiatives for rural poor. The self-sustaining

ideology of the parent organization is incorporated in ASADS in delivering critical services to the social sector.

Since its incorporation, ASADS has been revisiting and adding program areas on an ongoing basis, utilising new approaches and learning from the experience of development sector. ASADS complements ASA's work with community and its institution by layering relevant support services and taking expansion strategies to other areas through capacity building and studies. Through the specially crafted business model, ASADS builds crucial financial links between the marginal farmers and the lending partners to bridge the gap of rural and urban development.

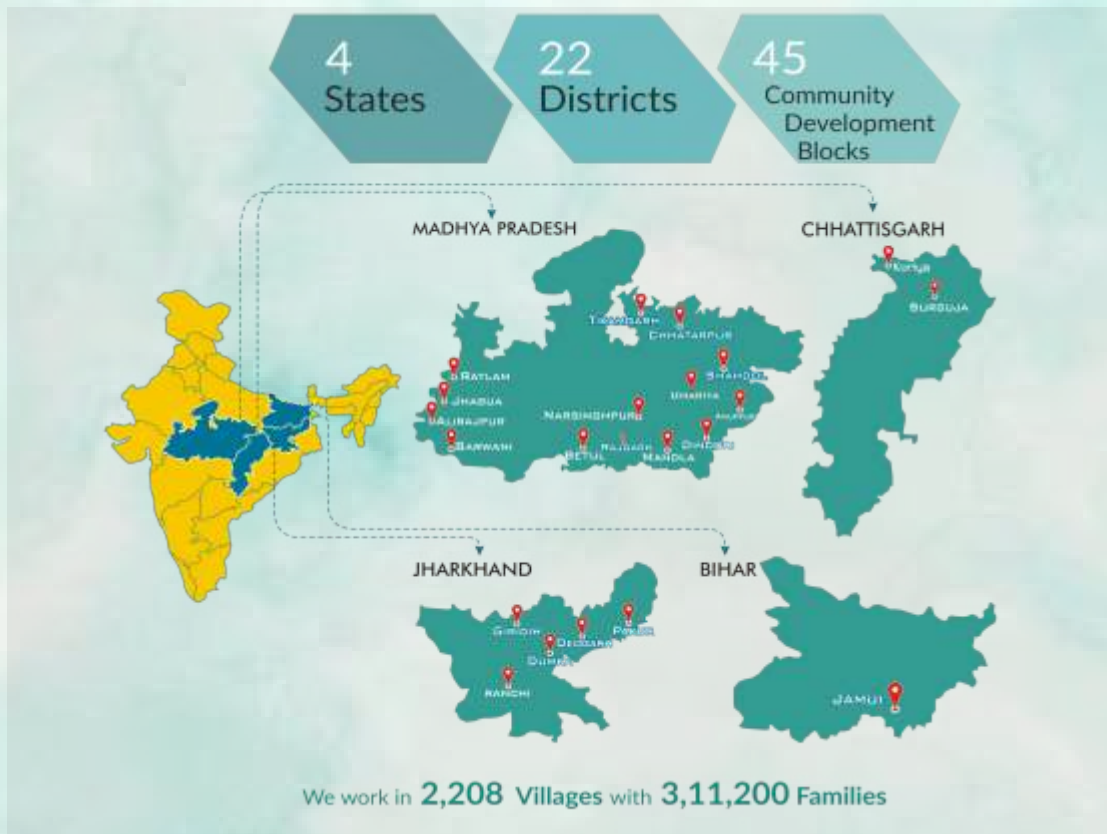
THE CONTEXT

Poverty alleviation strategy needs multi-directional doses of support in a sustained manner for some time. The key to moving people out of poverty is building productive asset and make them part of a cohort that facilitates support. Blending of grant and loan is perhaps the best pragmatic solution for the poor to become self dependent.

ASA Development Services works towards creating the productive asset with the small and marginal farmers, its main target group, in the agriculture and allied sector

through infusion of affordable credit. This is small ticket size credit, but critical, that helps poor to build on the resources already created through grant support by development organizations. For instance, if a dug well is built through a grant programme by a development agency, ASADS helps the family through a credit for purchasing of a motor pump and agriculture inputs (seeds and fertilizer) and provide training on improved agriculture and marketing of produce. Such integrated approach helps the family overcoming the poverty trap.

PROGRAMME OUTREACH



Our Collaborators



Friends of WWB, India:

FWWB is supporting access of finance to marginal women for agriculture, enterprise, water and sanitation and solar energy promotion. ASA Development Services has been long time partner to enhance capacities of women collectives, PPOs and women through access credit activities.



Samunnati Financial Intermediation & Services Pvt Ltd

Samunnati is an Agri value chain solutions provider that enables growth in the value chain of the agricultural ecosystem. While empowering farmers and expanding Agri enterprises, Samunnati propels the value chain to greater heights and better yield through financial, non-financial and customised solutions. ASADS Development services has availed credit line from Samunnati to promote agribusiness activities of Farmers Producer Organization and to provide loan support to marginal farmers for agri-asset creation and enterprise promotion



Avanti Finance Limited

Avanti Platform is an open-access digital financial spine, flexible enough for users and partners to create, curate and deploy the financial products they need in a touch less, presence less and cashless interface with our users. Avanti partners with Organization having strong community owned livelihood expertise to amplify impact at societal level. ASA Development Services has partnership with Avanti to serve credit needs for Agriculture and Allied agriculture and Micro enterprise activities.



Nabkisan Finance Private Limited

Nabkisan NKFL is a Non-Banking Finance Company (NBFC) and subsidiary of National Bank for Agriculture and Rural Development (NABARD) with equity participation from NABARD, Govt. of Tamilnadu and public sector banks. The main objective of the company is to provide credit for promotion, expansion and commercialization of enterprises engaged in agriculture, allied and rural non-farm activities. ASA Development Services has availed credit facility from Nabkisan to further on-lend to PPOs and JLG for agri-business and rural-enterprise promotion.



RangDe

RangDe is Social investing platform working on peer to peer lending model. ASA Development Services along with ASA has worked as partner and facilitator to provide interest free loan to farming community during COVID 19 time to reduce financial distress.

Statistical overview

As on 31st March 2020

Parameters	Unit	Progress
• FPOs Supported:	Nos	16
• District Covered:	Nos	09
• Loans and Amount to FPOs.:	No/INR	16 / 195 Lakhs
• Loans for Livelihood:	Nos	1305
• Loans for Livelihood:	INR	234 Lakhs
• Loans for Water and Sanitation:	No.	102
• Loans for Water and Sanitation:	INR	15 Lakhs
• Borrowed by ASADS:	INR	280 Lakhs
• Total Loan Liability:	INR	225 Lakhs
• Total Loan Portfolio:	INR	207 Lakhs

Programme Activities in the Year 2019-20

Livelihood financing to address poverty issues and building productive asset for the small and marginal farmers

ASADS has undertaken a credit need assessment of supporting the small and marginal farmers for creating asset in the agriculture and allied sectors. During the year ASADS started piloting livelihood financing model with credit infusion for farmers interested to create individual assets for enhancing agriculture productivity particularly for irrigation facility. A total of 21 farmers were identified for loan support to kick off livelihood financing programme which was further expanded to more than 1300 families.



Type of Loan

Loan Purpose	No. of loan
Dug Well/ Shallow Borewell	97
Livestock	786
Water and Sanitation	21
Women Enterprise Loan	401
Grand Total	1305

Building financial capacities of the farmers' collectives for agribusiness

The initiation of financial support services for FPOs was an important stride during the, which played a critical role in the growth of the FPOs being able to achieve their business plan and begin their journey to growth. ASADS delivered services on two aspects: one being facilitating credit linkages of FPOs with financial institutions (bank and non-banking finance companies) directly for their working capital needs. Eight FPOs were credit linked with an average credit size of Rs.44 Lakh. The institutions with whom credit linkage was established were the Nabkisan (a subsidiary of NABARD),

The other intervention was being direct credit support to FPOs at their initial stage to begin business activities. Considering that FPOs in their initial stage find difficulties to raise loan from the financial institutions, ASADS took the steps of lending FPOs in their initial stage and build their capacities. This is a service to make FPOs market ready for sourcing bigger working capital loan from the mainstream financial institutions. During the year 14 FPOs were provided with loan to start business activities. The average loan size was Rs.13.88 Lakh. The loans have been used for agriculture inputs shops, seed production of paddy and soybean, commodity trading especially of organic cotton.



Safe drinking Water and Sanitation programme finance for the household

ASADS diversified its work on financial support to another important societal problem related to well being of the targeted community. The very need for getting in to this work was demand driven as we come across challenging situation of quality drinking water and sanitation facility among the small and marginal farmers. This program is a joint initiative of ASA and ASADS where in ASA takes up the role of promoting healthy behavior and raising demand for investment for drinking water and sanitation facility creation at the household level while ASADS help identified households with credit facility to meet the investment requirements to make new facility, up gradation of existing facilities etc. Training on maintenance of the facilities is also provided by ASADS.

This initiative was started in the last quarter of reporting year with encouraging response. This financing program is designed with interesting feature of rewarding proper utilization and adoption of healthy behaviour by way of interest subvention, a kind of conditional cash vouchers system upon successful completion of loan. 21 micro loans amounting to Rs. 315000 has been provided mainly for construction and renovation of toilets for rural households.



Training and Capacity building program

ASADS undertook number of Field level capacity building initiatives to provide input to Joint Liability Groups, SHGs, FPOs promoted at villages level through series of training. Major capacity building interventions included following themes;

- Financial literacy, digital banking and credit planning at household level.
- Enterprise support training.
- Technical training on vegetable cultivation, Cattle rearing
- Operation and maintenance of drinking water and sanitation facilities

Overall during the year 261 number of training session have been organized at the field covering 1305 beneficiaries belonging to Liability groups.



Special Initiatives

ASADS team stood with community during COVID-19 lock down with the community and supported the community in difficult times. Following initiatives were taken by ASADS during the lockdown to help communities.

- Tele-calling to the beneficiaries to make them aware of situation and preventative measures
- Option of deferment / relaxation in repayment of loan in case of difficulties.
- COVID 19 Awareness activities through JLG meetings, wall writing and poster making.
- Supporting needy families through dry ration distribution and civil supplies, readymade food distribution.
- Working in close coordination with parent organization ASA for Seed Assistance program for marginal farmers.

Developing partnership and collaboration for programme

ASADS borrowed funds to further on-lend to the beneficiaries. Loan proposals were submitted to leading credit institutions and availed term loan facility to the tune of Rs.280.00 Lakh in the reporting period. Chief institutions supporting livelihood finance program are Nabksian Finance Limited (A NBFC promoted and owned by NABARD); Friends of Women World Banking, India; Samunnati Financial Intermediation & Services Pvt. Ltd.

ASADS also collaborated with impact finance institution Avanti Finance, Mumbai, promoted by Shri Ratan Tata¹ and Shri Nandan Nilekani². ASADS used Avanti's lending platform to prepare beneficiaries for Livelihood Augmentation Support Finance and provided handholding support to the beneficiaries for undertaking business activity and repayments.

Institutional development

This year has been critical in evolution of organization with renewed focus and approaches of fast-tracking development by way of credit infusion. ASADS used the platform of community institutions such as Farmer Producers Organizations (FPOs), water user groups, self help groups, producers groups to leverage social capital and blended finance for replication of livelihood models having impact bearing proof.

Agri business financing rather FPO financing

¹ Ex Chairman of the Tata Group

² Co-Founder, Infosys; Founding Chairman, Unique Identification Authority of India (UIDAI) 2009-2014

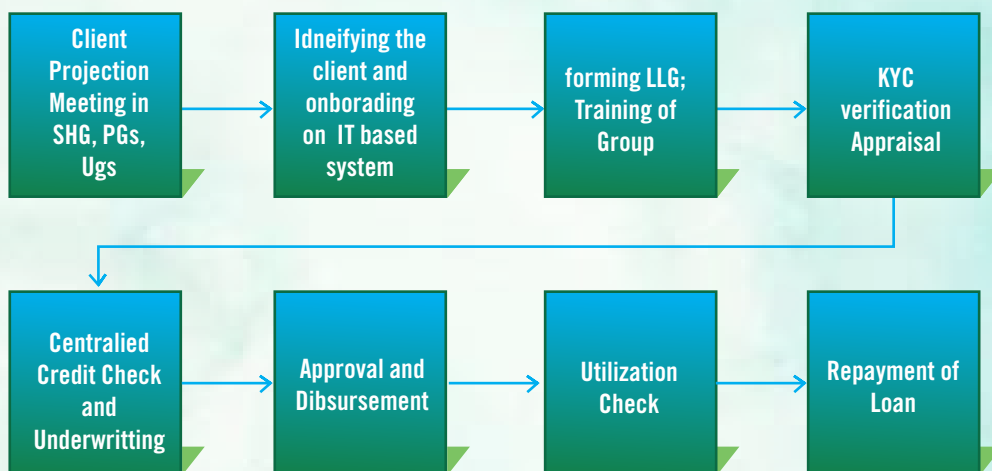


ASADS got in to business of credit support with purpose of enhancing and scaling up agriculture based livelihood opportunities for small & marginal farmers, hence, followed unconventional approach of appraising the business proposal of FPOs with double bottom line results covering both positive yield in terms of money as well as impact on participating farming community rather than FPOs financial strength. To ensure this ASADS worked hand in hand with ASA for understanding the agribusiness problems, suitability of business proposition and backward- forward linkages of proposed activity and how it will impact the participating primary producers with clear risk mitigation plan

Developing system of livelihood financing

The chief strategy has been build the program upon social and rural livelihood support system created by ASA and following the standard process for financing activities. Here also, most important considerations are proof of positive earning of activity, skills and supportive environment. Thus, potential of activity becomes more important than individual to ensure successful utilization and assurance of return.

Process Flow for Livelihood Financing



Building In-house capacities: Human Resource Development

During the reporting period, ASADS put lot of impetus to prepare itself for long leap in its new version and most critical has been developing in house capacities to manage the program and increase its reach with every passing month in the year. It was essential to have people as well management system to run this program with adequate due-diligence and discipline required for credit support intervention.

We have availed services of leading IT firm Habile Technologies for credit program management, which is an end to software for managing lending business and used by leading MFIs in India and abroad.

We have also built a team of professional both at cutting edge level and operation level to manage day to day affair of business and charting the growth on perennial basis.



Case Study



Constructing a wall of hygiene and dignity

Nani bai a resident of village Harthal in Bajna Block of Ratlam district is proud farmer with sanitation facility. Her family owns small piece of land and has been growing cotton under ASA's Organic Cotton program in the district. Her other household income is contributed by her husband who works as labour on construction sites. She has been a Swatch Bharat Mission beneficiary but received only part payment insufficient to complete the construction. She was able to make walls only, which she used as makeshift washroom. Without a proper toilet and washroom she has been going through a lot of discomfort with two small girls aged three and one year. The hardest of all was to leave her small kids at home or carrying them with her to go out for open defecation. A toilet was always in her

mind but was not able to figure out source of money to invest in much needed facility at household level. It was during one of the Women's groups meeting, she came of know about ASADS's program and credit support facility for Water and Sanitation. She was prompt to grab this opportunity and availed loan facility of Rs.15000/- for constructing a toilet and improving the existing washing facility.

She has a savings of about Rs.5,000/- which she has used for fixing an overhead water tank connecting to the toilet and washroom. Now, she feels much relieved and secured at her home with sanitation facility. She was the first beneficiary for taking loan for sanitation facility and her story inspired many in the village and surroundings to come forward.

Case Study



In a remote interior of Ratlam district, Galli Bai and her family continue their life through agricultural activities in the village of Basuniya. Located on mountainous terrain with a poor economy, the lack of sanitation was one of the major problems that she and her family encountered daily. To manage the bodily functions, all six members of her family had to resort to open defecation due to the lack of basic service at her house. “The lack of proper sanitation for defecation and bathing was one of the major problems. We had to think twice every time we needed to respond to the natural calls. It reduced our dignity, privacy, and safety, especially for my daughter and daughters-in-law”, says Galli Bai.

With the support of Rs.15,000/- loan from ASADS, Galli Bai constructed a proper sanitation unit at her house. With the construction of the sanitation unit inside the household premises, now the family members do not have to travel to nearby stream early in the morning or late at night to relieve themselves or even for bathing. “After the help from ASADS, we don't have to worry about privacy, timing, and safety”, we thank ASADS for their kind help” says Galli Bai with a smiling face.

Case Study

Empowering Women through Entrepreneurial Funding

Independence and social status was a matter of concern for the villagers of Gambhirwatola in Anuppur district in the state of Madhya Pradesh. With a minimal source of income from the agricultural activities and without any other source for livelihood, the residents had to migrate to some other states or adjoining cities to search for work. The lack of proper banking facilities in the area makes the residents financially unaware of the different existing facilities and opportunities provided by the banks.



ASA took the initiative to financially literate the residents of the village by organizing different events for SHGs. The importance of maintaining a good credit connection with the bank was initiated to resolve the demand issue. Similarly, to solve the problem of supply-side, connections were made with different banking platforms to provide a loan with minimal interest and documentation.

In a remote village of Gambhirwatola, Basanti Bai with a family of 4 members had a difficult life. With very less income, livelihood was becoming very difficult for her and her family was living in a debt-ridden life. ASA in collaboration with ASADS, the parent organization, help Basanti to avail a loan of INR 15000 in March 2020. With the financial inclusion strategy, the loan given to open up a small enterprise helped her and her family, economically. This has ensured the social and economic raise in Basanti's life. Basanti says "I am very happy after opening up the new shop. I can earn now and I don't have to ask for money as I can earn it by myself."

Case Study



Pradeep Nanda is young farmer of 24 years from Village Bakchhera Dona of Mandla District. He resides with his widow mother and two sisters. He is only bread earner of family, managing with meagre means of three acres of land. Pradeep and his mother together worked to make maximum out of their available resources with Paddy in Kharif and Wheat & Gram in Rabi Season. They also do seasonal vegetable cultivation on part of land to maintain regular cash in-flow by direct selling of vegetables.

COVID 19 lockdown brought huge challenges for him with imposition of lock down in pre-harvest of Rabi season leading to delay in harvest and

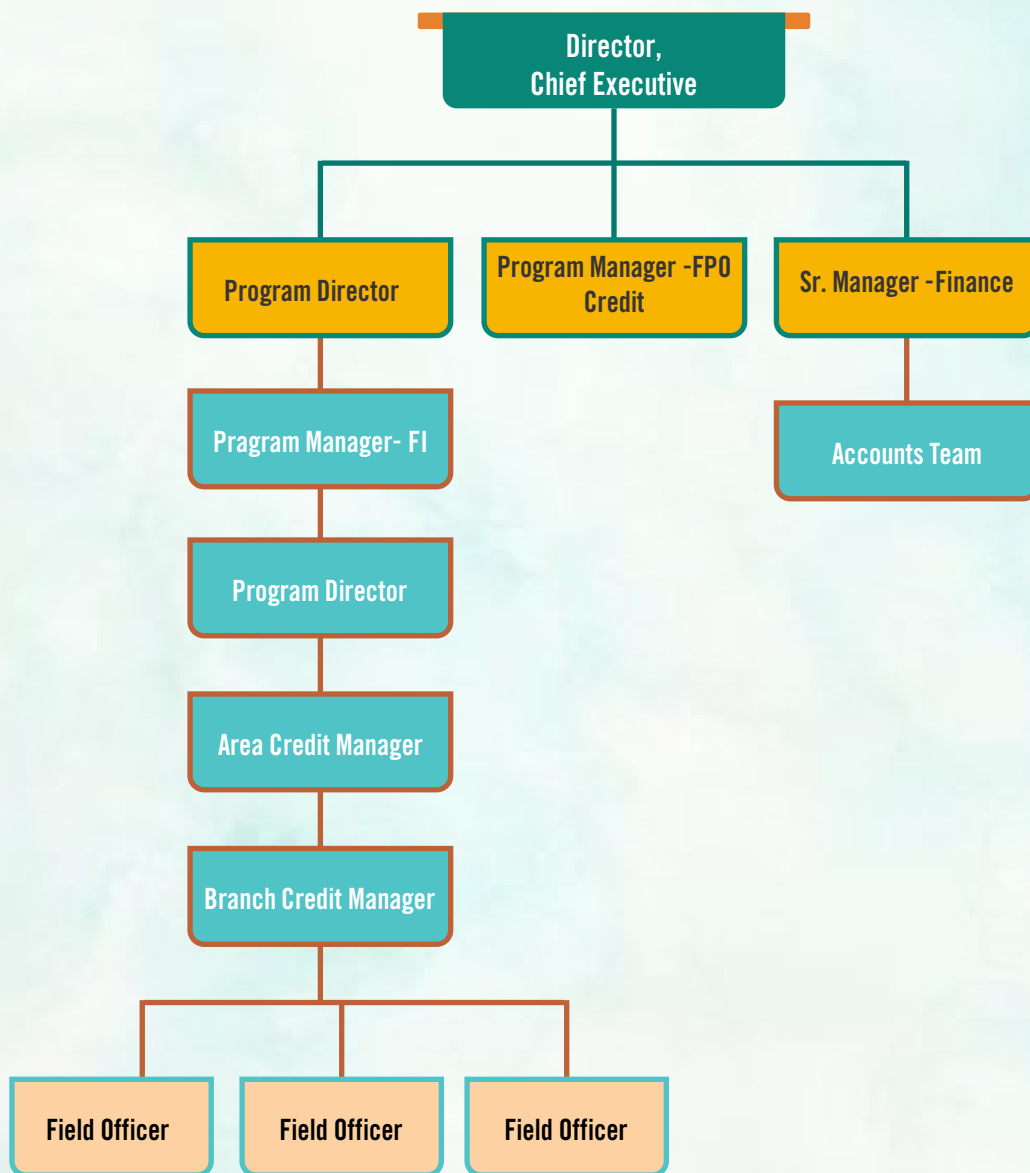
sale. He was worried for upcoming Kharif planting as was running out of cash with huge queue of MSP selling and ongoing distress sale at local and village level. His alternative source of vegetable growing could not yield with lockdown resulting in to perishing of Tomatoes, which could not be taken to market on time.

Progress:

Mandla Tribal Farmers Producers Company Limited came out with credit line in partnership with Range De facilitated by ASA. Pradeep applied for loan against the seed stock, which not only provided money on time but also ensured fair gains by calculating his stock value more than market rate and repayment guarantee was taken by FPO. A total of Rs. 46500/- was availed as interest free loan by Pradeep, which resolved his all issues of liquidity to invest in Khariff planting and taking care of immediate consumption needs during this situation of COVID 19.

Pradeep is happy with this newly found option of financing. He decided to be seed grower for Khariff too by planting nursery of Paddy from Source Seed purchased from FPO and also planning for vegetable cultivation. He finds security with FPO as structure robust enough to protect them in changing context including COVID19.

ORGANISATION STRUCTURE



BOARD OF DIRECTORS

Mr. Ashis Mondal

Director ASA and CEO, ASADS

A post graduate diploma in rural management and an alumni of East Anglia University, U.K. with over 30 years of experience in development management.



Ms. G. Jayanthi

Co-founder and Trustee of ASA and ASADS

An alumni of IIFM with over 27 years of experience in development management with especial skills in HR, development documentation and communication



Mr. Sanjeev Gupta

A post graduate diploma in rural management from IRMA, Anand, with over 27 years of experience in Rural Development and Natural Resources Management.



Mr. M. Kalyansundaram

Chief Executive, International Network of Alternative Financial Institutions (INAFI), India- A veteran of Canara Bank with more than 37 years of experience in Financial Inclusion and development sector.



Mr. Amitabh Ghosh

A Chartered Accountant with nearly 40 years of experience in the corporate sector in area of finance and administration. Mr. Ghosh has worked with large corporate houses including overseas assignments.



FINANCE OVERVIEW

Sl	Particular	31st March, 2020	31st March'2019
	Liabilities		
1	Reserve & Surplus	1362377.31	1016863.80
2	Loan for Livelihood Finance	22250000.00	0.00
3	Short term Borrowing	0.00	7000000.00
4	Other Liabilities	267793.00	61659.00
5	Loan Loss Provisions	252969.86	105180.00
	Total	24133140.17	8183702.80
	Assets		
1	Fixed Assets	28320.00	0.00
2	Current Investments	3000000.00	0.00
3	Cash and Bank	77467.83	1507558.80
4	Loans and advances	20700344.34	6585010.00
5	Other Assets	327008.00	91134.00
	Total	24133140.17	8183702.80
	Revenue		
1	Grant in Aid for operation	300000.00	500000.00
2	Revenue from Livelihood Finance operation	1943081.00	485819.00
3	Grant for research Study, Financial Literacy, promotion of SHGs	244830.00	0.00
4	Miscellaneous Income	124069.00	276927.00
	Total	2611980.00	1262746.00
	Expenses		
1	Financial Cost on loan for Livelihood Financing	1763387.00	517281.00
2	Program Expenses on Research, Awareness Generation	122251.00	0.00
3	Program Expenses on Financial Literacy adn Credit linkages	79866.00	0.00
4	HR and Admin Expenses	293882.49	196703.90
5	Depreciation Cost	7080.00	0.00
6	Excess of Income over expenses for Year	345513.51	548761.10
	Total	2611980.00	1262746.00



ASA Development Services (ASADS)

Goyal Duplex, G-3, Gulmohar Colony
Bhopal-462039, Madhya Pradesh
Phone: 09109988784, 09109988785
Url: www.asadsindia.org