

The SatSure Newsletter

May - June 2020



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RESILIENCE & MARKET RECOVERY

Aleen Mukherjee

Micro Finance Industry
in Myanmar during COVID-19

Matteo Marinelli

Resilient Startups:
What Indian Startups are Doing
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Building a Resilient Culture

Sweta Maitra

FOREWORD


The SatSure Newsletter (TSNL) was created as an independent platform for experienced global leaders to share their thoughts and opinions about different sectors in which SatSure operates. It is thus centred around bringing thought leadership to the masses.

Generally, our approach for designing a theme for TSNL is selecting a focus sector and then curating a list of high impact articles. However, COVID-19 was an unforeseen event. Its impact has been seen on global businesses, organisational cultures, philosophies, and operational machinery. Thus, focusing on just one sector would not have done justice, neither to the gravity of the current situation, which is sector agnostic, nor the underlying philosophy being TSNL, which is giving direction to the business ecosystem.

It is with this idea that we decided to use 'Resiliency' as the core theme of TSNL, May- June 2020 edition. Resiliency has played an essential role across the globe in the fight against COVID-19. It has helped individuals survive; many businesses sustain and maintain a balance when everything is tending towards a negative curve.

This edition has four articles focussing on resiliency in different avatars across different sectors:

The first article is an interview with Mr. Aleen Mukherjee, COO, NICR (NCDEX). He discusses how COVID-19 has impacted the commodities market due to factors like crop production, labour shortage, disrupted supply chains and disconnected data and information systems. He highlights the importance of the Government of India's initiatives for market linkages and the importance of creating a resilient model for the agricultural commodity sector.



The second article is an interview with Mr. Matteo Marinelli, CEO, Maha Agri, one of the fastest-growing MFIs in Myanmar. Matteo shares how he and his organisation are tackling the crunch situation in Myanmar. Initiatives like focusing on staff health and creating a customer-centric business model where the aim is to help customers sustain have higher importance. The objective is to build stronger human bonds, which is the essence of the business and growth at Maha Agri.

In the third section of the newsletter, we have three people from three startups working in diverse areas and writing about the innovative initiatives adopted by them. Om Routray of SourceTrace, Devleena Bhattacharjee of Numer8 and Ashish Sahare of ReVolt Creations share their experiences of how as startups, with limited resources, the only way out is to innovate in technology and business, sustain and grow as an organisation while delivering quality products and services to its clients.

Lastly, Sweta Maitra, HR manager at SatSure, discusses how we at SatSure have worked together, diluting all hierarchies, which are thin in most of the startups, and created a resilient working environment. Our idea is, be resilient, and the effect shall be reflected across the individual and organisation decisions, which affect the company. The initiative has allowed us to experiment within the organisation, the results of which have been incredibly positive, and we are very enthused to share them with our readers.

As an ending note, I would like to thank all our readers on behalf of SatSure, for the continued support. All your praise and suggestions help us build a strong content platform with every release, and we hope you will enjoy reading this edition as well.

Sarvesh Kurane
VP- Value Engineering
SatSure



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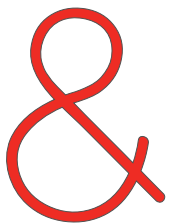
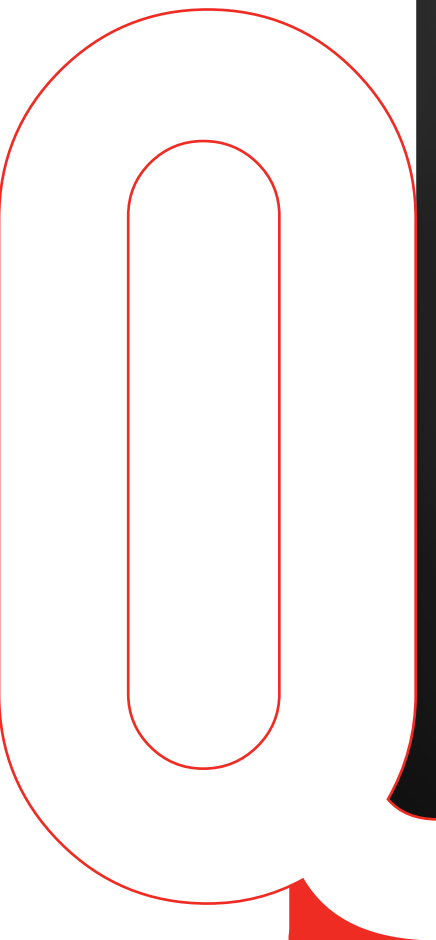
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Resilience & Market Recovery



A Conversation with
Aleen Mukherjee,
Chief Operating Officer,
NICR (NCDEX)





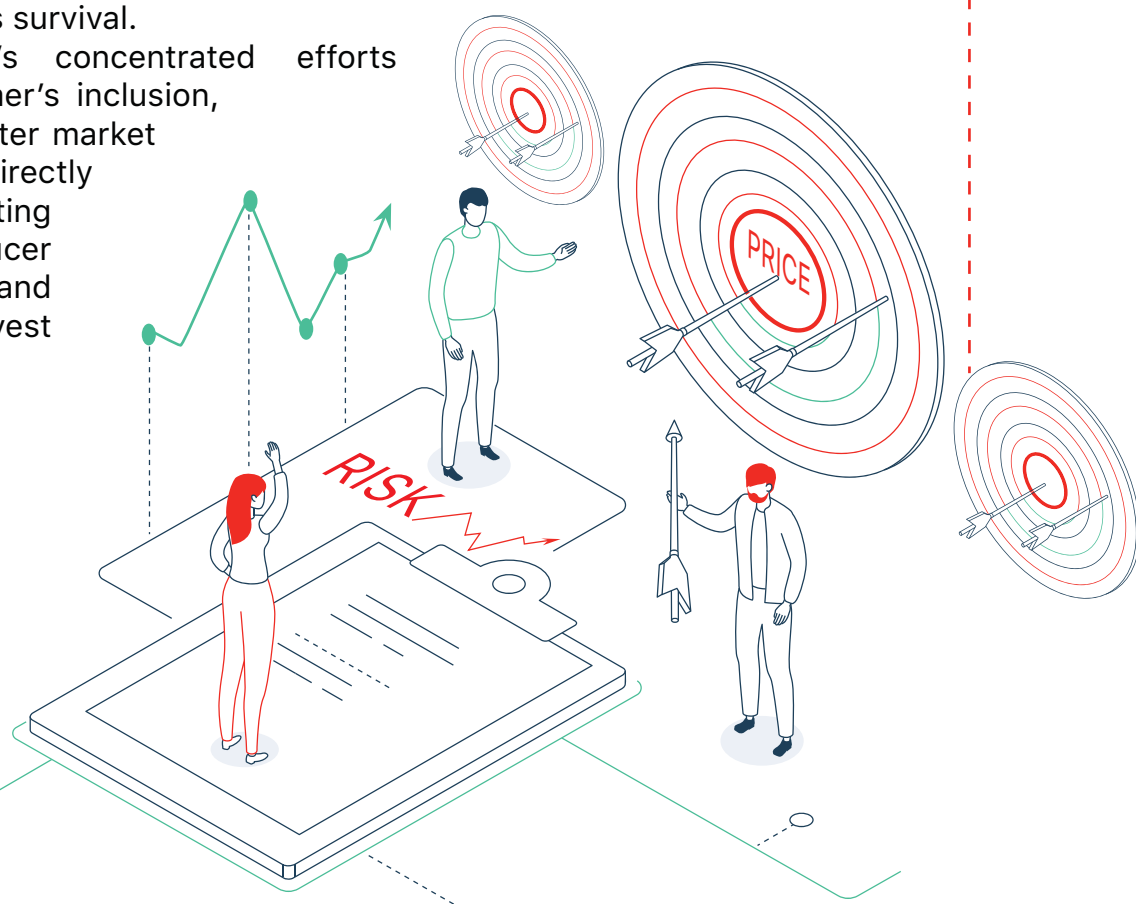
It would be very helpful for our readers to understand the important role NCDEX plays in the Indian agriculture market. Could you please briefly describe the gamut of activities that NCDEX supports in the agriculture sector?

The principal purpose of NCDEX is to provide price discovery and price risk management to Agri value chain participants and over 17 years has transformed itself to become the largest exchange offering centralised trading in various agricultural commodity derivatives in India. The transparently discovered prices act as a benchmark signal that market participants use for their decision making.

NCDEX gives price signals for around 50% of food grains produced, 48% of pulses produced, 56% of spices and for almost 100% of oilseeds, guar seed, cottonseed and cotton fibres produced in the country. NCDEX price signals reach over 2100 mandis across 26 states on a daily basis. Instantaneous dissemination of benchmark prices of commodities has significantly reduced information asymmetry in the marketplace and has, in turn, enhanced farmers' bargaining power.

Commodity exchanges like NCDEX also allow farmers, the processing industry and buyers to manage their risks from price volatility. Hedging with futures needs a good correlation between the spot price and the price of futures contracts where one is willing to hedge. NCDEX agricultural commodity futures are highly correlated to respective spot prices which makes NCDEX futures perfect tools for hedging commodities price risk for market participants, thus increasing their business survival.

Facilitated by NCDEX's concentrated efforts towards promoting farmer's inclusion, especially to ensure better market access, farmers are directly benefiting by participating through Farmers Producer Organizations (FPOs) and hedging their post-harvest price risks.



“2

Good rainfall in Kharif 2019 had a positive sentiment on the planting for Rabi 2019-20. But as the harvest and post-harvest activities were affected by COVID 19 lockdown, what are some of the key impacts on Kharif 2020 planting that you are already seeing?

Appropriate soil moisture due to 110% of Long Period Average rainfall during 2019 monsoon season led to a bumper Rabi production this year. According to 2nd advance estimates of production of food grains, oilseeds and commercial crops, food grains production in 2019-20 is estimated at 291.9 million tonnes as against 285.2 million tonnes in 2018-19 and higher by more than 26 million ton than the previous five years' (2013-14 to 2017-18) average production of food grains.

Further, as far as Kharif sowing is concerned, and the advent of normal monsoon announced for FY20, all ecosystem participants are gearing up to ensure sufficient and timely availability of inputs at the last mile. If we talk about seeds, India's seed replacement ratio is roughly around 40% in major food grain with pulses and oilseeds at a much lower level. This indicates farmers are still using homegrown home saved seeds to a significant extent. In the case of hybrid seeds for field crops, some disruptions may be expected due to seed factories working under capacity and logistical challenge for placement and farmers ability to buy. In the case of vegetables, seeds are mostly purchased by the growers every season. While the seed industry is trying to ensure sufficient availability of the same, extended lockdowns might pose a slight obstacle in making them available to farmers at remote places.

There is sufficient stock of major fertilisers with government and private fertiliser manufacturers, and availability of the same should not pose any real challenge. However, there might be sporadic challenges for micronutrients and insecticides/pesticides that the country used to import from other countries like China. At the time of this response, the lockdown has been eased for manufacturing units, However, they may see some labour shortage, we feel that the industry will ensure that the availability of nutrients and pesticides are in place!

The challenge may come in the form of purchasing capacity of farmers due to depressed farm-gate prices and not able to move the harvest in a timely fashion to the consumption channel. Though, Government of India under PM Kisan has released significant funds and coupled with MSP purchase cash flow challenge should be eased for purchasing key inputs for Kharif crop.

“3

How is the global commodity market behaving due to restricted trade, disrupted supply, and fall in oil prices? Are there any key policy measures that the Indian Government has taken in order to protect the interest of the farmers and the domestic agriculture markets?

Yes, the aftermath of a negative crude price for April expiry in the international market also left a huge impression on the Indian derivatives market as well. Still, it may not have a lasting impact on Indian commodity pricing. The rapid spread of the COVID-19 worldwide has had a major impact on global markets by disrupting almost all economic activities. The shipping industry



faced large scale disruptions and the flow of goods in and out of countries was adversely affected across the world. According to the World Trade Organisation, world trade is expected to fall up to 32% in 2020.

As per our secondary survey, a nationwide lockdown amid COVID-19 pandemic caused a significant pile-up at India's major ports. This was accentuated by the staff and labour shortages at ports due to rotational rostering since the lockdown. Ports that were not able to comply with the specified requirements were not being allowed berthing for vessels that arrived within 14 days from the infected countries, which further added to the pile-up.

The COVID-19 prompted the Government to bring in two Big Bang policy changes coupled with funds allocated for infrastructure required to the tune of Rs1 lakh crore. The change in the Essential Commodities Act will certainly see formal funds being deployed to create storage

infrastructure, and we certainly hope the focus is on bulk storage solutions.

The 2nd Big Bang change was to create One Nation One Market by allowing farmers to sell across states. This will create new supply chain models, especially for fruits and vegetables. Infrastructure fund to finance post-harvest management infrastructure at the farm-gate level through FPOs, farmers cooperatives and startups provides a tremendous opportunity for these entities to ensure quality produce and storage near the farm gate. This will enable a higher percentage of consumer price share at the hand of these entities and ultimately, farmers.

Also, we have seen few states taking proactive steps through ordinance routes and implementing suggestions given by the central government through APLM Act 2017. Declaring statewide single license and declaring storage spaces as market yards are few important changes allowing free movement of produce intra and interstate and increasing choice of market for the farmers.

In order to support farmers for MSP procurement, the government has taken numerous initiatives such as increasing the number of purchase centres, making purchase centres near villages to facilitate farmers sell directly to the centre instead of selling to aggregators, increasing the procurement window, introducing token system mandis to enable farmers to systematically bring their produce to the mandis, and allowing direct purchase by large traders and processors among others.

These initiatives have yielded encouraging results on the ground. Despite the delayed start and initial hiccups, not only farmers were able to harvest their crops, but also government procurements picked up in major growing states post-mid-April. According to Food Corporation of India (FCI), as on 15 May 2020, over 28 million tonnes of wheat has been procured as against the total target of 40.7 million tonnes for the 2020-21 marketing year. Further, during the lockdown till now, 2,337 rail rakes have been used for loading and transferring nearly 6.5 million tonnes of grains.



4

Are there any examples of measures taken by Ag commodity exchanges globally that you can share, towards ensuring the stabilisation of market sentiment among traders and limit volatility?

The economic impact of the COVID-19 pandemic has introduced extraordinary volatility in global financial markets. Various global exchanges took measures by altering circuit breakers, price bands, trading timing etc. to contain the volatility and address the pressures on the exchange's system.

In light of challenges posed by lockdowns imposed to curb the spread of COVID-19, the Reserve Bank of India has decided to shorten trading hours for few of the segments. Domestic exchanges offering commodity derivatives shortened the trading time for commodity segments, postponed the expiry dates of few contracts to facilitate the smooth expiry, changed the computation date for Final Settlement Price (FSP) based on revised expiry dates. These measures helped exchanges minimise the risks while optimising thin resources and ensuring the safety of personnel.

“5

Most organisations in the Agriculture ecosystem are usually built with limited to no mitigation strategies for an event as globally disruptive as the COVID lockdown. What are the possible proactive risk management systems in your opinion, which organisations should start considering for tackling such events in the future?

The abrupt lockdown due to COVID-19 pandemic initially disrupted the supply chain completely. The most prominent impact was felt in the food supply chain due to widespread closure of APMC mandis, disruption of transport and logistics, scarcity of labour employed in agricultural activities and accentuated by reverse migration. Despite being the peak arrival season, mandi arrivals plunged as the produce could not reach mandis. Also, the unavailability of migrant labourers posed challenges in all the agri-operations, including procurement operations. The sale of animal originated food products such as milk, egg, and meat etc. also faced severe challenges due to various operational restrictions as well as general public avoidance of animal products during the crisis. The reduced demand further led to significant price fall.

These disruptions led to price uncertainties. Farmers were not sure whether they would receive a favourable price of their crops and intermediaries such as processors/millers were not able to procure for their processing operations. While the Government has exempted the agricultural operations from the lockdown, fear of infection and other restrictions led to lacklustre activities across the country.



There is a need to strengthen the alternate marketing channels such as eNAM and other such electronic marketplaces. There is also a need to strengthen logistics infrastructure. Further, the price risks of agricultural commodities can be hedged using commodity derivatives. In this regard, there is a need to inculcate the habit of hedging among industry, companies with commodity exposure and farmers. Enabling policy measures and support from government and regulators are required to make this happen.

Additionally, the challenge in the physical movement has given rise to the need of digitization of information flow, reduction in the requirement for movement of physical documents either for loan requirement or opening of a bank account or opening a client account at exchange!. This also necessitates digital intervention to create a centralised database for FPOs etc. to ensure one need not travel or courier physical documents for getting things done.

While India has started to relax its lockdown measures in small steps, the positive economic impact of exiting the lockdown might take some time. Meanwhile, the country needs to focus on increasing trade agreements with other countries to boost bilateral trades and strengthen economic cooperation.

“6

While decisions in the Indian agriculture value chain still rely heavily on data collected from fields, alternate datasets such as from satellites and payments/wallet apps are increasingly used in the agriculture sector globally for unlocking the barriers towards financial inclusion. Do you see any role of such data in Ag commodity trading in India?

In India also, mobile-based solutions to farmers started with occasional messages to them which now have evolved to delivery of a range of services addressing the information and communication gap among farmers regarding inputs (viz., seed, fertilisers, machinery etc.), price information, weather, pests and diseases, nutrient management.

The spread of smartphones in the country, coupled with the availability of cheaper internet data during the last couple of years have led to a surge in the use of mobile services for rural populations of the country. Globally, the potentials of mobile services to provide development opportunities for smallholder farmers are widely acknowledged.

In India also, mobile-based solutions to farmers started with occasional messages to them which now have evolved to delivery of a range of services addressing the information and communication gap among farmers regarding inputs (viz., seed, fertilisers, machinery etc.), price information, weather, pests and diseases, nutrient management.

However, there is still a long way to go. Currently, these apps are mostly focusing the information as pre-production support. For post-production, they are disseminating market prices of crops in nearby mandis, enabling them to compare and select the market where they can offload their produce. However, there is still a need to support them with access to all the crucial information in a timely manner to support their activities from production to warehousing to marketing to credit. The data collected from apps can be used to empower them with information on the availability of warehouse space for their crops, the suitability of their produce with easier access to credits, comparing the cost of these facilities etc. to enable them in better decision making.

While in India, the majority of farmers are categorised as small and marginal ones, and small landholdings deprive them of benefits of economies of scale. Smallholder farmers bring in additional challenges due to the multitude of crops grown in small patches and adjacent fields; high cropping intensity in many parts of the country induces variability at field level. It is imperative to have ground-truthing done to ensure correct information is collected, collated and analysed.

Farmer producer organisations (FPOs) as an aggregator model are not only bridging this gap for smallholder farmers but also have the strong potential to become an ecosystem partner with data collection, validation and conduit for such two-way information flow.

“7

People have been discussing the COVID-19 impact being specific to the social class one belongs to. Combined with climate change effects that we see every year now, how do you see the food security paradigm evolving from here for developed and developing countries?

A prolonged aggravated situation of the COVID-19 could adversely affect agricultural operations viz., production, processing, marketing and logistics due to labour shortages, cash availability and income loss.

Even during the crisis period of COVID-19, global markets for food staples were well supplied, and prices remained reasonably stable. Global production for the three most widely consumed staples viz. rice, wheat and maize are at or near record-high levels. However, prices of certain cash crops such as fruits and vegetables, among others, have been depressed by the slowing of demand and supply chain disruptions. These cash crops form an important source of rural incomes in many countries around the world.

A prolonged aggravated situation of the COVID-19 could adversely affect agricultural operations viz., production, processing, marketing and logistics due to labour shortages, cash availability and income loss.

This, in turn, will impact demand! Movement of surplus food products to those countries worst affected will certainly pick up. India shipping Wheat to Afghanistan is a good example. Many countries will start looking internally to support their population, and there will be a significantly higher focus on domestic food production, like what India did since the green revolution. The negative fallout could be countries declaring certain conditions for import trade and thereby widening the scope of Non-Tariff barriers. This will impact certain countries like India, where export to US and Japan has fallen as per APEEDA.

On a positive note, there could be a relaxation of mandatory requirements to ensure that the export supply chain is maintained.

Customer

Retailer

Distributor

Processor

Farmer

8

But to ensure that the benefits of such digital technologies are properly used and implemented, government and private partners have to ensure field-level data is captured right.

From your experience of working with FPOs and the exchange, what are some of the key technologies (such as AI/ML/Blockchain/satellites/drones etc.) that you would bet on, that could help farmers in improving their resiliency from the economic shock that COVID brought upon them?

Latest technologies such as Artificial intelligence (AI) /ML/ Blockchain/satellites/drones etc. have been a game-changer in many of the industries across the globe. These technologies are pertinent to the agriculture sector also. Technology such as AI can be leveraged in the selection of crops for sowing (based on parameters like soil type, monsoon dates, availability and affordability of seeds) and monitoring of crops. The data collected using technologies like IoT, drones, and satellite imaging, from the fields, are being monitored and analysed by AI-based applications to identify the right solutions. **Blockchain technology could enable wholesalers, retailers, consumers, etc. share information with maximum safety, transparency and speed.**

With its ability to provide instant data related to the seed quality, soil moisture, climate & environment-related data, payments, demand and sale price among others at one platform, it has the potential to facilitate a direct link between farmers and consumers/ retailers. It would further augment the traceability of agricultural produce.

These technologies could not only empower farmers and other value chain participants with better access to information in a timely manner but also help them to make better decisions in a speedy manner. **But to ensure that the benefits of such digital technologies are properly used and implemented, government and private partners have to ensure field-level data is captured right.** These technologies are as good as the data they depend on! Not ensuring the right type of data collected and quality checked before we start betting on such technologies could be counterproductive!



Micro Finance Industry in Myanmar during COVID-19

A Conversation with
Matteo Marinelli CEO,
Maha Agriculture
MicroFinance Public
Co. Ltd.



1. Could you tell us a bit about Maha and its work with smallholder farmers in Myanmar?

Maha Agriculture Microfinance is a Myanmar-based licensed deposit-taking financial service provider for rural customers. It is currently co-owned by Myanma Awba Group (a local conglomerate and the largest Agri input group in Myanmar) and the International Finance Corporation (IFC). With its operations beginning in 2013 and with 32 operational branches across the country, Maha is overseen by the FRD (Financial Regulatory Department), that comes under the Ministry of Planning, Finance and Industry (MOPFI). Microfinance as a component was added only in 2013 because the chairman of the AWBA group – who was going around the rural areas of Burma – realized that the farmers needed not just quality inputs (like seeds, fertilizers and so on) but also required affordable financial services from licensed financial institutions. That was the beginning of Maha.

I came into Maha only three years after it was formed and my job was to bring Maha to the next level – professionalize the entity, reach a certain size and bring in international best

practices. We are currently serving 65,000 active customers with a portfolio size of MMK 56.58 Bn (USD 40.5 Mn) as of March 2020 and our goal is to reach out to 5 million smallholder farmers in the next ten years through a combination of a brick & mortar model and a digital branchless cashless model. Maha currently offers four loan products: Agriculture Loans (which account for 95% of the portfolio of Maha); and the remaining 5% is divided among MSME Loans, Vendor Loans and Livestock Loans. Maha's loans are unique because we are 100% rural – we don't do any work in urban areas, and these are given following a 100% individual lending methodology, with the average loan size is highest in top 20 MFIs (~879 USD).

I believe that an individual lending methodology is a customer-centric, more holistic methodology where we look at all aspects of the individual. There is a joint responsibility between both the parties, and a lot more value is created. Financial institutions need to treat the customers on a one on one basis. This is what we do with our farming communities. There are 193 MFIs licensed by the FRD in Myanmar today. By asset or portfolio size, Maha has had a



fantastic growth trajectory over the last three years. We are now number 11 out of 193. Three years ago, when I had joined, we were ranked at number 35 to 40. Out of these 193, the top 20 MFIs account for over 80% of the total industry assets, and only two MFIs are really 100% farmer – Agri focused. That is us and another FSP.

2. How has the lockdown due to COVID-19 impacted the agriculture markets in Myanmar? Can you share some examples from your experiences at Maha?

As of 22nd May, we have had 199 positive cases. We have 108 recovered cases and six people who lost their lives. Currently, we have 4525 people under investigation waiting for their results. We have over 61,000 people across the country in quarantine. But as of today, there hasn't been a health crisis in Myanmar. The hospitals, as well as the healthcare system, have been able to handle the 200 cases and only a few people have died, and this has been good news. The health system in Myanmar isn't great, so the government immediately institutionalized

major lockdown curfews from 1st April to the end of May, while some lockdowns are still in place.

We at Maha, especially the head office, have activated our Business Continuity Plan 19th March. About 50 people from the head office have started working from home, and we've provided the right infrastructure for them to be able to work.

For our branches, despite the directives given by politicians, we chose to remain open so that farmers can come to pay or withdraw finances accordingly while respecting local and national directives. We decided to split the individuals working at the branches – where three people work from home and another three from the branch, and this changes every 28 days.

We made other changes in our branches – like installing wash stations at the entrance, bringing in medical gloves and face masks, temperate measuring devices and hand sanitizers to all our branches. We also restricted the number of people who could come into our branches at any given point of time to about 5 to 10 people with social distancing being followed. Our team made



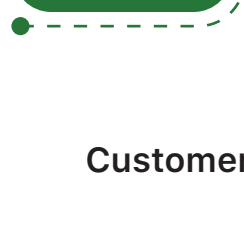
Safety First



Effective Communication



Mitigation Strategies for Business Continuity



Helping Customers Sustain



all these arrangements during those crazy days. I am very grateful to them for the amount of initiative and leadership shown by them.

Apart from these, we distributed 35,000 pamphlets talking about the symptoms and what to do, as well as printed standees and had them put up in our branches for the customers and branch staff. As some of the branches are in rural areas, there is a dearth of information about the crisis and how to protect one's self and even a spread of misinformation.

Since April, I have had a team of 5 people calling customers and branch staff randomly and talking to them about the symptoms, how to protect themselves, how to use masks, sanitizers, and so on. For me, that was a very powerful initiative taken by Maha to counter fake news and information among rural people who don't have access to the same information as you and I.

Due to the lockdown in the states/regions, farmers are no longer able to sell their crops in the local wet markets or wholesale markets as they were closed, with just the notice of one or two days. Hence, all the farmers, MSMEs and so on were told that they weren't allowed to go back to the markets.

That leads to a problem as it completely disrupted the food supply chain in the country. Farmers, MSMEs and vendors were unable to sell, and customers are unable to buy. A lot of farmers, especially onion, garlic and tomatoes in some Northern states

3. Globally the microfinance sector is under severe stress currently due to disruption in trade, leading to a sharp decline in loan collections. Is the situation similar in Myanmar? What are some of the steps that MFIs in Myanmar have taken to mitigate the risk of insolvency?

MFIs in Myanmar are the same as MFIs globally facing difficulty in loan collections due to two major reasons;

- o Customers themselves are not able to repay because their business is not running well, couldn't sell their products, and some markets are even forced to close.

- o Branch staff of MFIs like Maha cannot even go to some villages to follow up on repayment because these villages are locked down.

Major steps taken by MFIs in Myanmar to mitigate the risk is keeping business running, rescheduling the dates for repayment for customers and taking care of employees' physical and mental wellbeing. Educate both employee and customer on the precautionary measures.

4. Do you see any differences in the COVID -19 response of MFIs in developing markets such as Myanmar vs those operating in developed countries? If yes, what are the key factors leading to it?

There is a difference in response, and we see this is mostly driven by the availability of funds and the availability of generous liquidity injections by the governments. Let us look at some national measures in the developed market. The maturity in developed markets allows them to do improved risk assessments in order to provide additional loans to borrowers such as the case in Ireland below. Thus, factors such as these allow more flexibility to developed market MFIs to offer moratoriums on principal and interest for extended periods and additional loan which is something MFIs in developing countries can do but must take a more cautious approach.

National Governments

Italian Government

Italy has taken a series of measures to mitigate the impact on the microcredit sector, such as a moratorium on loan repayment, a guarantee of up to 80% of the loan amount, etc. The maximum amount for business microcredit has also been raised from €25,000 to €40,000. The National Bank of Serbia has introduced a 3-month moratorium on loan repayment for all clients



of all banks (except for the ones who decline the offer).

Microfinance Ireland (Example)

1. New COVID-19 Business Loan

Microfinance Ireland launched a new product. It comprises of loans within the €5,000 – €50,000 bracket aiming at supporting businesses who have been impacted negatively by the coronavirus in Ireland. Its main features are loan terms typically up to 3 years, no interest or repayment for the first six months, no fees and no hidden costs/charges, and fixed repayments with no penalty for early repayment.

2. Rescheduling of repayments and additional funding

A 2-step response was put in place. The 1st step comprises of a 6-month interest and capital repayment moratorium, followed by capital and interest repayments over the remaining term extended by the six months (this cannot exceed 66 months in total as the EaSI II Guarantee runs for six years or 72

months maximum. Microfinance Ireland is proactively contacting customers to offer them a restructure. In case this is not sufficient, the 2nd step is that customers can seek a new COVID-19 loan in addition to the rescheduling of their existing loan (with an overall maximum of existing and new funds of €50,000).

5. Are there any cues to draw from past experiences of MFIs who weathered the financial crisis of 2008 or the dotcom crash in the early 2000s that could potentially work today as a risk management strategy?

The MFI industry in Myanmar is still relatively new, but what we can learn from past experiences to manage risk would be:

1. Diversify your risk – do not concentrate your risk in a particular region or a particular crop. This was clear in the Andhra Pradesh (AP) crisis. The amount of portfolio concentrated there was too much for some of the financial institutions, and some of them went out of risk because of concentration risk.

2. Having a good relationship with your customers goes a long way! Having a good relationship means understanding the client, his family, his dreams, and pain points. Unless we are able to change the way, our loan or credit officers think or interact with the customers; this will always be an area of weakness for financial institutions. At Maha, I have the ambition of transforming our loan officers from credit loan officers to wealth rural advisors for poor people. They need to be relationship managers so that when things go bad, the customers know that you are on their side in good and bad times. If they know that you are on their side only during the good times, during the bad they will not be on your side to talk to you or tell you the truth or reveal to you what they know or how you can collect your loan.

3. Educate ourselves! It is important to understand the exact impact on the crisis on the clients to what they have left to build on.

4. Liquidity Cash Flow – any financial



institution should learn from the past crisis that they need to keep good healthy liquidity crisis in the company. They can't do this every day or every month, but during a crisis, they should have a lean-agile structure with high productivity numbers.

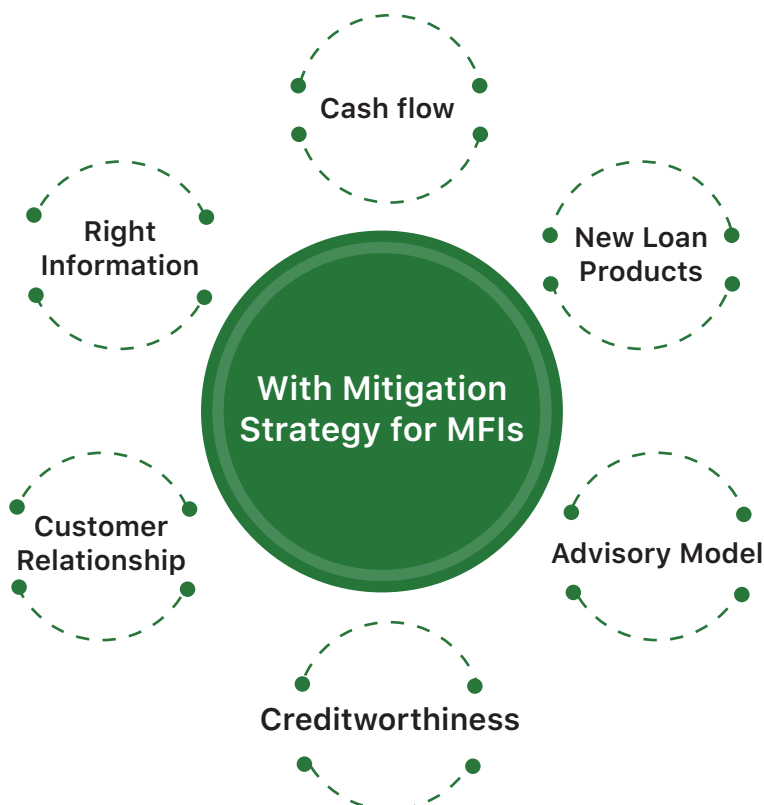
5. Revise repayment capacity analysis to account for the fact that creditworthiness will go down for even the best of clients.

6. Devise new products such as emergency loans that will help clients to respite in the short-term.

7. They are looking for interest subsidies for their loan products from lenders/NGOs/Governments to encourage lending.

8. Non-financial service, provide information and train your clients on how best they can kick-start their business and sell their produce.

9. Guiding farmers/MSMEs to government/NGO led buyback programs could go a long way in reducing risk.



6. Maha's work is directly linked to financial inclusion, which is expected to be a key factor in the resiliency and recovery of the global economy. What are some of the necessary things in your opinion that would need to fall in place for the asset quality of MFIs to improve in the coming months and lead to a fast recovery so that financial inclusion mandates of fast-growing MFIs such as Maha are not derailed?

1. There are two types of external groups that can help go through a crisis like this. The first group is the regulator.

2. Your regulator needs to understand the gravity of the situation and make sure that they take whatever action they want to take to mitigate the risk so that the sector survives the crisis. That means emergency facilities, that means relaxation of loan loss provisioning, relaxation of capital insolvency ratios, as well as faster approvals for new branches for bringing in equity and debt funding.

3. The above is something you have to do along with your lenders, who are the second group you need on your side. On the one side, you want to be a responsible MFI and continue paying your obligation to your lenders, but in some cases, these MFIs are not able to pay their lenders because their customers are not able to pay. You want the lender by your side, but you also want them to relax some of their covenants, so you should see if they are willing to defer the payment of the principal to later in the year.

4. Regulatory support and guidance are necessary to ensure that ease of continuing operations is maintained and close attention is paid to keeping MFIs viable

5. The requirements in terms of maintaining covenants/loan loss provisioning should be relaxed

6. MFIs must also receive moratoriums and emergency loan facilities from their lenders to preserve liquidity

7. Strengthened monitoring mechanisms to restore confidence in lending.





7. What are some of the steps you have taken at Maha to adapt to the COVID-19 driven restrictions at the workplace? And do you see some of these changes becoming permanent?

01

We have restricted the travel of all employees, and have asked our employees to work remotely as much as possible. As for branch staff, it has been split with half working from home and the other half from the branch. The rotation changes once in 28 days.

02

Prior appointments are made with clients to avoid crowding at the branch, and no more than five clients are present at a time.

03

We are avoiding face-to-face meetings and are giving preference to phone calls, email or virtual meetings.

04

We also carry out weekly disinfection inside of all branches as well as disinfecting the whole building of each branch during these periods. All clients and staff must do a temperature check and wash their hands before entering the branch.

05

We have kept alcohol wipes to clean the IT devices (fingerprint and tablet), and when inside the branch, they must sit at least 2 meters (6 feet) apart.

06

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07

Daily calls to HM/AHMs by MD, COO and HOO to get a regular update on the situation at the branches (branch measures, staff health and safety, rumours, instruction from local authorities)

08

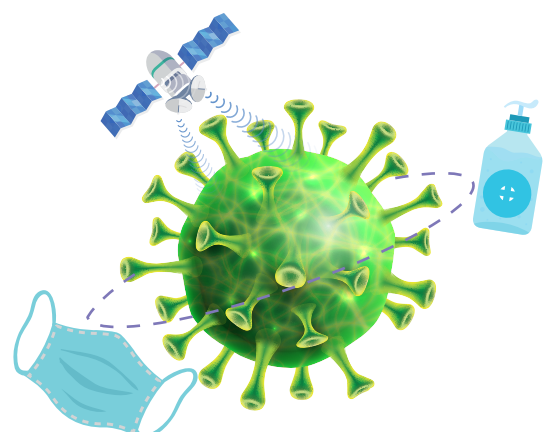
We also have pamphlets and vinyl displays on the branch to spread awareness of the disease. Weekly calls to the branches by the CEO to get to know the situations, listen to what they want to tell, what they need.

09

We have constituted a Maha COVID-19 Committee and sharing regular updates of the situation with HMs/AHMs from all the branches.

10

Using more of virtual communication can become permanent like weekly, daily calls with the branches to get to know on-ground situations.





8. In the new work post-COVID-19 world, what role do you see for technology to help MFIs and FinTech accelerate the path to recovery? Are there any specific sets of technology on which you would place your bets?

One thing that we should get used to is this new normal that is there to stay. Some of the areas that Maha will try to educate itself, plan and do some pilot programs is like moving away from a very high touch model and strike a balance between the two.

Having a low touch model, in my opinion, will be a smart move, but you need to maintain some elements of Impact Assessment, Social Performance and Customer-Centric Journey. You can monitor the social performance and impact assessment by using digital tools. You can also maintain a good pulse of the customer by using customer apps., social media and chatbots – even in rural areas.

The only tricky part is changing the mindset of a rural person as compared to an urban person. You will have to invest in financial literacy and financial education regularly. You need to digitize the ecosystem in a rural area, disbursing a digital loan to a farmer in India or Myanmar – unless the ecosystem is fully digitized, it may not fix the pain point of that particular farmer. You only fix the pain point of yourself, which is to get away from cash. Ask yourself if you're customer-centric if you fix the pain point of only your institution and not of the farmer. You need to strike a balance between high touch and low touch through customer-centricity is required.

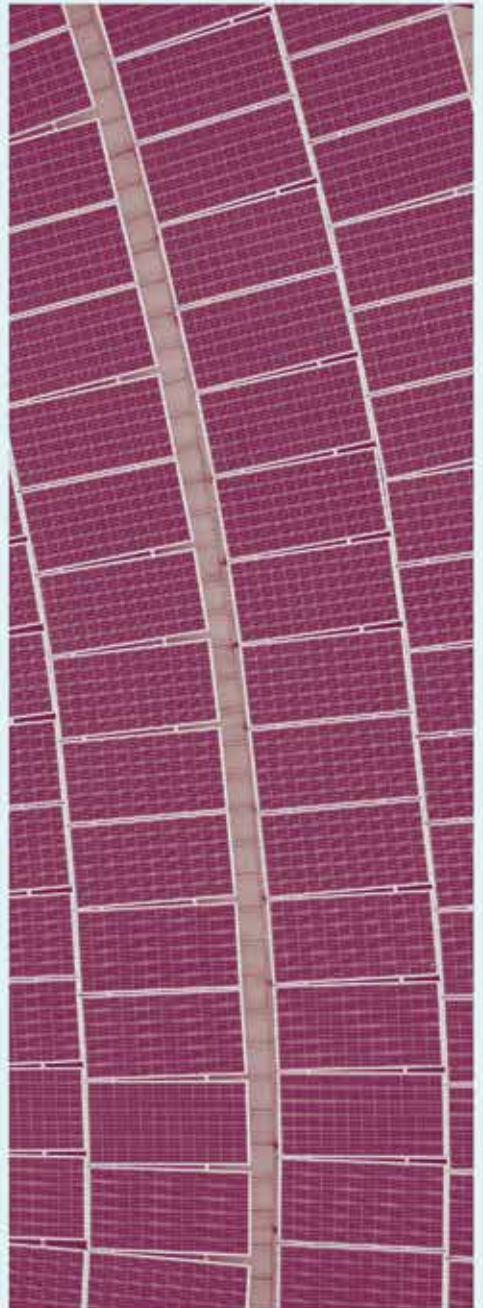
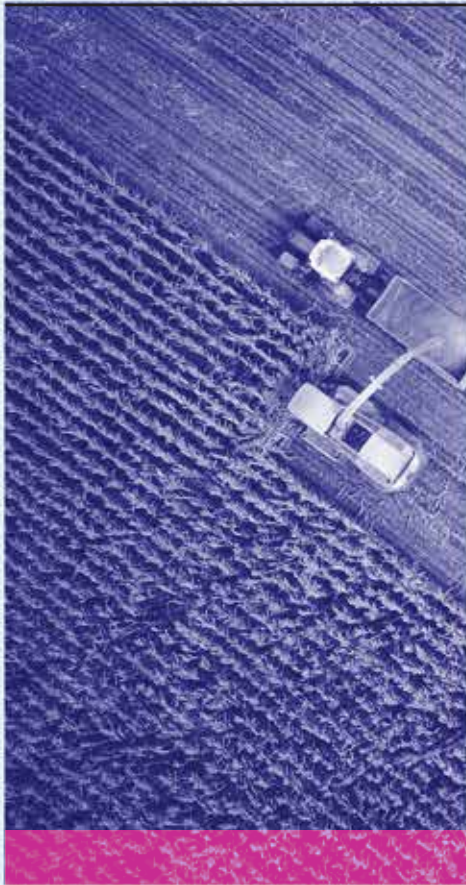
Due to this epidemic, the role of digitizing operation processes becomes essential. We knew Fintech is very important and the future of the MFI Ecosystem even before these challenging times. We are still using cash in Myanmar since cash is the main thing to make payments and purchasing things rather than e-Money. Although mobile money companies are much growing in here Myanmar, we cannot buy the things

we want by using e-Money, especially in the rural area. We need to think and act like a Fintech organization since this crisis affected much over Myanmar MFI ecosystem.

We, Maha, are trying to change from our traditional lending to the digital data-driven lending system. If all loan processes are digitized starting from the customer onboarding to loan repayments. MFIs could continue their business smoothly. The customers can repay loans digitally without visiting the branches, and MFIs also can disburse loans digitally.

Thus, this epidemic would remind MFIs to think about a branchless model which would be a low touch one between the staff and customers. Even if we would be dealing with the customers digitally, we should not forget client protection principles as well as the impact and social performance of the MFIs.





Resilient Startups:

What Indian Startups are Doing to Tackle the COVID-19 Crisis.

Agriculture: Where to

Om Prakash Routray
VP – Marketing, SourceTrace



When this is all over, as it soon will be, we should remember the COVID times for two things: unforeseen disruption and unprecedented collaboration.

Since the coming of digital technologies, this is the first time there was an industry-wide effort to work together in a pure problem-solving mode.

However, in the post-Covid19 era, it will be interesting to see if we still see value in collaboration or move back to the old ways. Let me present an instance that we came across during the first weeks of lockdown. A lot of agribusinesses needed transport solutions. A lot of transport companies had limited resources because empty trucks were not being allowed to return by the administration. The solution was simple. What if logistics companies could share data on where their empty trucks are and share leads to optimise resource use?

While the idea was fantastic, there were no ways these companies could collaborate. There were no ways for small businesses having the same route to tally requirements and hire trucks together. We tried to address these issues with excel sheets and WhatsApp groups!

Data is the logic that builds partnerships

We can look at these as daunting data gaps, or we can exploit them as business

opportunities. After almost a decade of agritech startups competing against each other, now the era of partnerships is upon us. Let me give you an example of how we are following this at SourceTrace.

When our customers seek traceability solutions, food quality is an intrinsic part of the discussions. It gives quality assaying companies and us to come together. The partnership increases the value proposition of our solutions and makes it easier for the client to implement advanced solutions.

Consolidation will be key

We may differ whether the last decade saw nominal or phenomenal growth for agritech as a sector. But one thing for sure, the coming decade will be about consolidation. We saw a lot of experiments taking place in the farm to home space during the lockdown. Will those small businesses retain the lead, will the consumer continue to opt for this when ease is not the prime criterion? Companies need to come together to create a value proposition that goes beyond one parameter, that builds a use case that the retailer can't.

Can we just not deliver but connect the farmer with the customer? Can we give the customer the tools to decide how much information he needs and whether he wants to just buy or enter into an interactive relationship? These opportunities are beyond any one solution.

Making adoption easy

Most clients are still confused about technology. We are guilty of throwing at him a ton of literature on the pros and cons of remote sensing, drones and IoT sensors. The new era will be one when these solution providers will tie up in the backend and provide the solution that a customer needs, not three different brochures.

We work in a sector where change is needed urgently, but the wheels turn slowly. We don't have the luxury of time. We need to come together and accelerate the process ourselves and not wait for the ecosystem to evolve.



Working with the Fishing Community During the COVID-19 Crisis

Devleena Bhattacharjee, CEO, Numer8

The Janta Curfew declared on March 22nd of this year saw more than 15,000 tonnes of fish being dumped back into the sea in Maharashtra alone and this amounted to a loss of Rs 200-300 Cr in revenues.

The last fishing season (August – November 2019) was a weak season for the fishermen folk owing to bad weather and cyclones. The COVID-19 pandemic and the Janta Curfew

during April and May' 20 have only added to the woes of the already burdened fishermen community. The fishermen community is looking at a staggering loss of around Rs. 1000 Crores and more.

We have been working with the fishermen community for over a year. We help them with access to affordable and ethical finance, reduce their operating costs, help them yield more fish during a fishing trip and keep them safe in the high seas through use of our technology. More importantly, we connect the fishermen with the market to help them sell their yield.



The disruption of formal supply chain and logistics during the pandemic spelt trouble for the fishermen folk. The essentials required by the fishermen for fishing were scarce. At the other end, the yield wasn't being carted to the markets again due to lack of essentials viz. ice, storage, transport etc., leading to huge losses for the fishermen community.

The fishing industry came to a grinding halt even though fish was declared as an essential commodity by the Government of India.

Our first effort was to connect the fishermen with the buyers in the market through online channels, including instant messaging social media and phone calls. We ascertained buyers willing to buy as Numer8 set up a quick process of taking in requirements and getting them fulfilled by fishermen who had stocks to sell.

The challenges in the marketplace have made us re-evaluate the need for an end to end B2B supply chain channel that can keep working seamlessly for the benefit of the fishermen and consumers during such a crisis.

The marketplace that is being driven by Numer8 ensures sustainability and traceability. We do this while aspects of fair trade are maintained, even during these unforeseen circumstances. Numer8's marketplace will enable both the demand and the supply side of the market to use such a trading channel more efficiently in good times and bad times.

We were successful in not only delivering affordable and quality seafood to our buyers but also in helping fishermen generate better revenues and earnings for their fish yield. This made the community happy and ensured healthy business for all stakeholders in the supply chain.

A large section of the fishermen community has suffered huge losses owing to the bad season in the last quarter of 2019 and the pandemic. We are currently working on a financial platform that will help fund the

fishermen through our innovative financial model and help them tide over debts and return to work without the stress of funds as soon as the crisis passes over.

We use a smart contract platform where we not only help fishermen with cash, but we will also ensure affordable procurement of business essentials needed for their daily trade through Numer8's B2B platform.

What the COVID-19 crisis has helped us study is the way we should be prepared for a pandemic across the entire value chain providers of the ecosystem. However, the most important take-away for Numer8 is a reiteration of the fact that sustainability, traceability, fair trade and customer focus are values that stand tall and will be the backbone of any business, more so under demanding conditions.





Innovation in Lending Model for Solar Energy

A conversation with Ashish Sahare,
CEO at ReVolt Creations

I hail from Yerkad, Gadchiroli, a place in a drought prone region of Maharashtra and have grown up watching and experiencing the electricity crisis around me. My Master thesis gave me exposure to the world of solar. The questions which led to the formation of ReVolt Creation was, can this renewable energy be made affordable and taken to the rural parts of our country? The unique value proposition of ReVolt Creation is building a strong partner and manufacturer network, where all our raw material comes directly from the manufacturer. The partner ecosystem allows us to aggregate the demand helping us keep our price low. We are possibly one of the few start-ups which provide 25 years of warranty on complete OEM including microcrack.

Impact

COVID-19 is a crisis, unlike anything we have faced in recent years. The crisis is global and is affecting lives and markets globally. The Indian solar energy market was hit pretty bad. The solar energy sector is not Capex and Opex intensive. Projects are outdoors dependent on-site engineers, labour workforce, and client engagements to execute. The renewable energy sector is

an exempted sector under the current COVID-19 crisis; however, the guidelines released are still a bit hazy. For instance, large manufacturers are operational; however, the lack of clarity has affected the SMEs, which are also hit by shortage of labour. It is a 2-way problem where just opening up sectors won't work if appropriate safety facilities and transportation facilities aren't provided to the labour force.

The lockdown has affected the supply chain for the industry where orders and delayed heavily. Tenders won through the public sector are facing hefty penalties due to companies not being able to meet the milestones. Such an end to end solution hasn't been put to place for the sector and only opening up or exempting is not a solution especially for startups for whom revenue streams play an important role for survival.

Tackling the problem

There are a few things we have taken up at ReVolt to tackle the situation. We have tried focusing on urban projects where we have a team already present. Strict working guidelines adhering to the safety instructions are followed like social distancing at site locations, providing workforce with glucose, Vitamin C tablets, sanitisers every week while new masks and gloves every day.

In terms of the mitigation strategy, ReVolt has now strongly focused on solar energy for agro-processing units and cold storage. The situation has hit the agriculture sector, and with supply chains disrupted, farmers and Agri organisations are heavily hit. Cold storage specifically forms an essential link in the post-harvest supply chain, and lack of the needed cold storage facilities has always been the main problem behind food and grain wastage in India. As of now, we have created a crowdsourcing model, where the funds collected through networks,

partners and organisations are lent to the agro-processing units, and cold storage facilities and repayments are done through simple EMLs. The reason to opt for a crowdsourcing model is that banks and NBFCs are not keen on lending to these organisations as many of them don't satisfy the required credit history or transactional standards. They have always been neglected by the formal lending sector.

We have created an internal evaluation mechanism, along with using the current market assessment ratings like CRISIL. We rely on both financial and human connection as a part of our assessment process. The balance sheets, current financial condition and their existing engagements with customers, the stickiness of customers, long term relationships are a few parameters we use to evaluate.

Overall, as a young start-up, the situation is daunting, and everyone is trying to cope up in their own way. We had a solar pump installation project ongoing in a village in Maharashtra. The lack of proper transparent information along with miscommunications through multiple mediums led to labour leaving the project and returning to their hometowns. For us, the implications were project and business while for our labours, it was livelihood and safety. We hope to have a more reliable communication network of official guidelines and news in the rural parts for the current situation and a more robust execution strategy to enable the renewable sector, especially start-ups, to tackle the situation.



SatSure's Experiments with Building a Resilient Culture

Sweta Maitra

HR and Corporate Communications Manager
SatSure Analytics India Pvt. Ltd.

Throughout the four phases of the lockdown and now the graded relaxation of different facilities, we at SatSure carried on business as usual, in addition to hiring new team members, taking on new clients and work, and not laying off a single individual from the team.

In India, till date, we have had approximately 3,67,000 COVID-19 positive cases with 1,94,000 individuals who have recovered. The numbers have seen recent spikes with increased testing capabilities, but our death rate remains significantly lower than in other countries which have a higher number of positive cases. India would have had more positive cases, by virtue of its population density, had the lockdown not been initiated within the early stages of the virus' spread. In India, the first phase of the nationwide lockdown was brought in on 25th March for 21 days with only essential services like supermarkets, medical stores, hospitals and ATMs running. Most organisations, including educational institutions, were forced to shut down or institute a work from home methodology once the lockdown was announced by the Prime Minister of India.

At SatSure, we closed our office and brought in a work from home structure from 13th March, nearly two weeks before the nationwide lockdown was enforced. Foreseeing a need to protect our employees, many of whom used to travel using public transport and cabs, the leadership at SatSure brought this on earlier than anticipated. We even provided each employee with the required infrastructure to work effectively from home.

Throughout the four phases of the lockdown and now the graded relaxation of different facilities, we at SatSure carried on business as usual, in addition to hiring new team members, taking on new clients and work, and not laying off a single individual from the team.

In this article, I have explored the role the Human Resources (HR) department along with the management at SatSure have played in building resiliency through trial and error rather than following standard practices; and the impact it has had on our company and the team members



Talent Management: The Key to Organisational Resiliency

The HR practices, policies, and programs of organisations should be designed to reflect our best understanding of human psychology. HR practices that work for an e-commerce business, for instance, might fare poorly at a DeepTech company. Hence, at SatSure, we always made it a point to test all HR practices and validate them like every other business and technology program. A bottom-up approach, through trial and error, helped us to learn what worked and what doesn't, with clear linkage to the economic value being created for the company.

Through various HR initiatives, we collected numerous data points on behavioural insights of every team member.

We categorised them on the three premises that correspond to the major themes of behavioural economics – rationality, willpower, and motivation. Such an approach has become quite common in public policy design.

At SatSure, we have been innovating on building a framework for relatable HR strategy that creates happier, more motivated, and higher-performing teams.

But Where did we Begin Building Resiliency?

Organisational resilience is the ability of an organisation to anticipate potential threats, to cope effectively with adverse events and to adapt to changing conditions. This is critical for an organisation to succeed and can be a source of sustainable competitive advantage of one organisation over another (Duchek, S., 2019).

SatSure, as a lean start-up, built its resilient

culture over time. From the struggles of building a company from ground zero to navigating the complex geospatial and decision intelligence market to hiring the right team members and getting financiers on board set the foundation for individual and team resiliency. These experiences helped us significantly during the lockdown;

along with being an asset-light and a 100% cloud-based company.

The team at SatSure has always embraced resiliency as part of the organisation's core culture. Be it by following a flat organisational structure, rewarding employees with fast growth opportunities, or nurturing talent through our innovation policy of minimum

20% time to be spent on research & development, to name a few. We at SatSure set the ball rolling on building resilience that came forth as a unique organisational characteristic during the COVID lockdowns.

We categorised them on the three premises that correspond to the major themes of behavioural economics – rationality, willpower, and motivation. Such an approach has become quite common in public policy design.



Our Team, Our People

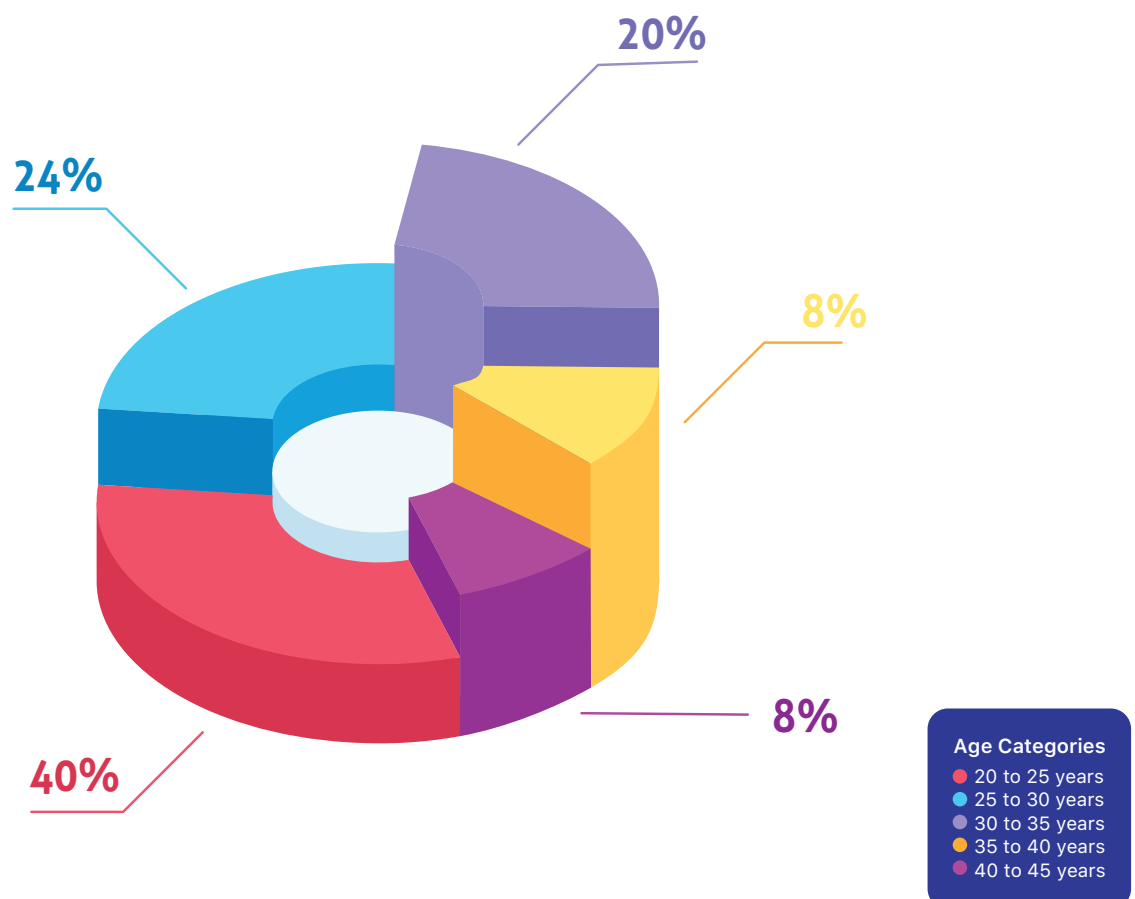
Our journey of being more resilient during these difficult times required the support and strength of each member of the SatSure team. Although we're a small and young team, each individual, including the leadership, had to adapt in their way to this changing working environment. An initiative like carrying out daily check-ins across the teams brought in discipline and structure to work completed. The team members motivated each other continuously, as well as lent an empathetic ear to those who needed it.

The strength of our team and their cohesiveness came from the diversity present. At SatSure, we consider cognitive diversity to be foremost, and we always look to hire individuals who are not only from varied backgrounds and expertise but also those who come with a unique mindset and bring this into the work that they do. Additionally, along with cultural and gender

diversity, we also focus on having a young crowd from different colleges.

The chart above shows the variation in age among the team. One can see that 64% of the entire team is less than 30 years of age. The unique way in which these team members think and work is laying a fresh perspective to the niche work that we do. As a result, this is opening up new avenues of business and diversity in our current product portfolio.

Even with our strong team capabilities and cohesion, there were periods of downtime where not everyone in SatSure was able to cope smoothly with the remote working scenario. Infrastructure challenges like electricity and the internet, along with personal difficulties, affected some of them and their ability to complete the work and achieve the deadlines effectively. By being empathetic, providing different solutions to the problem and a flexible work structure, the situation at hand was managed effectively.



Helping our Clientele During this Difficult Time

Over the last three months, we have all been aware of the unfortunate news of layoffs and furloughs, especially of start-ups in India due to the loss of revenue and clients. With the proactive measures taken before the lockdown brought into place, SatSure emphasised sales and business continuity with existing clients, with 24x7 support to help them navigate their business disruption and counter the ongoing crisis. Rapid enhancement of our products happened in line with client's immediate requirements, which was a proactive measure taken by the team as a whole to mitigate the risks of churn.

Following are some of the steps that we took to not only support our clientele during this tumultuous time but also help our team:



The Journey Ahead

Over the last six months, countries the world over have been experiencing a crisis like no other which has disrupted the healthcare system, the economy, small- and large-scale businesses and travel. This has forced each of us, especially organisations, to rethink the "normal" that we were previously a part of and change work structures and daily interactions to a "new normal".

These drastic changes have opened up numerous windows of innovation where organisations are tackling the pain points of not only their clientele but also their team members, their families and the countries they live in.

To successfully sail through this crisis, SatSure's culture of innovation, resilience, increased team cohesiveness and agility is playing an integral part of its core competency and differentiation today.

In the end, we must always remember,

"Without change, there is no innovation, creativity, or incentive for improvement. Those who initiate change will have a better opportunity to manage the change that is inevitable."

- William Pollard

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