



# Rural fintech solution to drive financial inclusion

Achieving speed, accuracy and transparency in collection & reconciliation processes

Customer spotlight : [Madura Microfinance Ltd, India](#)

# Case Study

The mobile-web solution of SEAANT, an agile and digital transformation company with social, mobile, analytics and cloud computing expertise, enables Madura Microfinance, one of India's leading microfinance institutions (MFIs), to bring in accountability to the process of collecting loan repayments in rural India. The solution also makes reconciliation effortless, thus paving the way for the MFI's robust expansion in rural India.



## Business Scenario

In 2014, Madura Microfinance was operating in 4 Indian states. It was on an expansion mode, increasing its borrower's base and loan corpus. Nevertheless, in the absence of digital payment mechanism in rural India, where almost all of Madura's customers are located, the company had to collect loan repayments directly. The typical size of a micro loan was Rs 5000 per member, and borrowers made repayments in small denominations of Rs 100s, Rs 50s and even coins of Rs 1, Rs 2, and Rs 5.

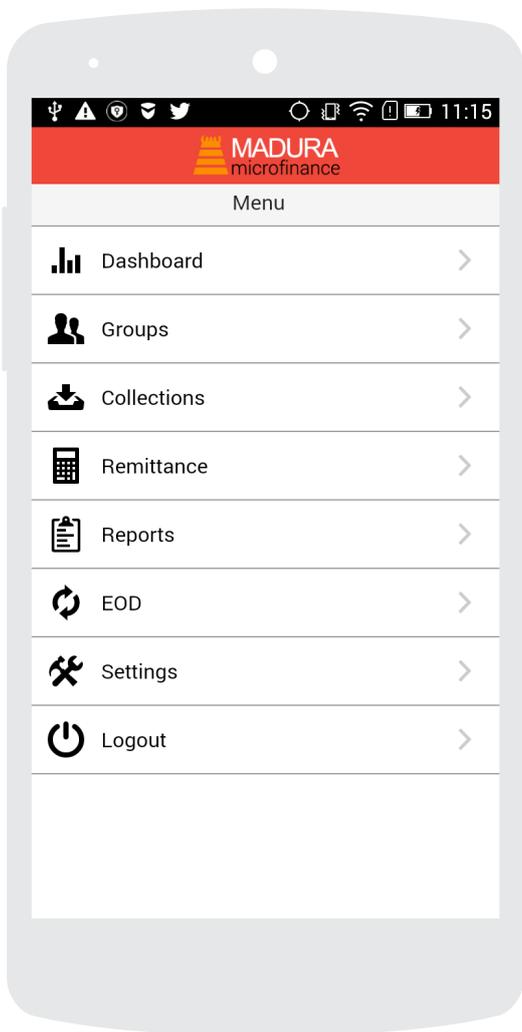
## Business Need

There was a concern of noticeable delay on the part of the staff depositing the payments. It took days for the report documents to reach the head office. The management could not discount the scope for misappropriation of funds. Further, the reconciliation of amounts - matching the figures in the account statement and challans of deposits made by staff in different bank branches across the States, proved to be a herculean task. Hence, Madura decided to digitize the process and roped in SEAANT to develop and migrate to android application.



# SEAANT's Solution

Leveraging its expertise in mobile, analytics, and cloud SEAANT collaborated with the Madura's operations team for domain expertise and created a robust mobile-based collection app and a web-enabled reconciliation software that today seamlessly handles over 5 lakhs of collection events and the reconciliation of repayments made by over 3.5 lakh borrowers, against the total loan portfolio of Rs 700 crore (as of 2017). The key features of the solution are:



Android based mobile application for Madura Microfinance

## Easy Interface & Auto Synchronization

- A simple user interface, an intuitive navigation flow & multi local languages support
- The field staff do not have to do much typing - they can enter data using menu items
- The mobile app automatically sends text message to customers acknowledging the receipt of their loan repayment.

## Collection Data & Reports

- Information such as who made the repayment, when, and in what denominations are captured via mobile and sent to head office
- Customers get acknowledgment of their payment via text message
- The collection staff can scan the challan forms that banks issue against their cash deposits.

## Centralized Reconciliation System

- Reconciliation monitor, accessible only by the corporate users.
- Remittance and Collections dashboards, to identify the discrepancies made by the field staff.
- Centralized Reversal control and entry mechanism to resolve the discrepancies provision to upload bulk collections centrally.



# Business Benefits

## Accountability of Staff And Reliability of Data

The system gives no chance to fudge any collection data. It forces the collection staff to make remittances without unnecessary delay. The scanning of bank challans, and digital forms for data capture make the collection process accountable and the data reliable.

## Automated Reconciliation

The app has reduced the data reach-out time - from the collection spot to the head office - in hours instead of days. It automates the reconciliation of individual entries of deposits and the bank account statement, which is done instantly.

## Supports Business Expansion

As the solution ensures complete transparency and accountability in the core operation of collection and reconciliation, Madura is free to focus on its business expansion with the confidence that there can be no misappropriation of funds at the field level.



We have built a close partnership with SEAANT – not the typical vendor customer relationship. They actively collaborate with us to develop Apps that are deployed with our field organization. These Apps have helped us to move from paper based processes to an almost 100% digital process resulting in speed, accuracy and higher information efficiency.



**Mohan Eddy**  
Wholetime Director,  
Madura Microfinance Ltd, India.

