



Stree Nidhi



**One of its kind initiative in
microfinance sector**



A PATH BREAKING MODEL

Jointly Promoted by SHG Federations and State Govt.

Emergence and objectives of Stree Nidhi

- Multiple financing by MFIs at usurious rates of interest lead to debt trap
- Irresponsible lending and Coercive recovery practices of MFIs
- Ordinance for regulating operations of MFIs in the State in 2010
- Established Stree Nidhi in Oct 2011

Objectives

- Provide affordable & timely credit to the poor and supplement bank credit to meet the credit demand of SHGs at doorstep of community
- Assured Credit flow to neglected segments - specific allocation to SC/ST in each VO
- Focus on promoting livelihoods, enhancement of family income and creating impact
- Provide Saving avenues to the poor
- Providing other financial services like insurance and banking services as Business Correspondent

Stree Nidhi vs MFIs

Stree Nidhi

- Community owned- SHG federations as Last mile
- Need based lending
- Low operational cost at <1 % of Working Capital
- Low interest rates-11%
- 1% Margin shared with VO/MS
- No processing charges
- A Social enterprise
- Holistic approach to Poverty alleviation
- Highly Transparent in functioning

MFIs

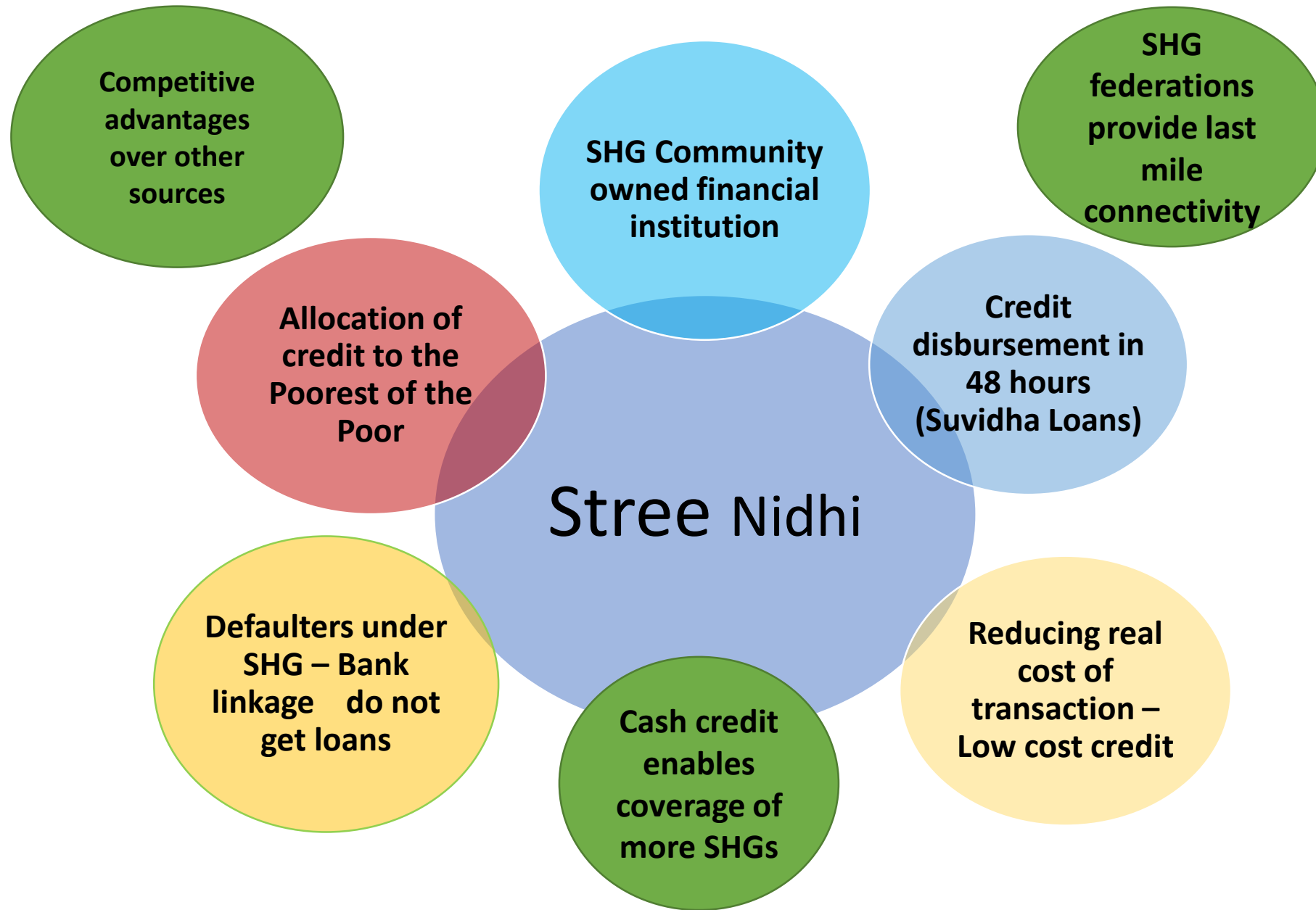
- Promoted by private individuals/organizations
- Employees driven
- Credit for profit
- High operational costs-8% of Working Capital
- High interest rate-18-26%
- Processing charges levied
- Lending through JLGs
- Coercive recovery practices
- Transparency is an issue

STREE NIDHI vs. MFIs

(INTEREST RATE)

	Stree Nidhi	Other MFIs
Borrowing from Banks	9 %	10 to 10.50%
Lending to SHGs	11% (1% shared with federations and SHGs) Effective Rate: 10.00%	18 - 26 % + Processing charges - 1%
Operating Cost to Working Funds	Up to 0.50%	4 - 5 %
Margin	0.50%	7 - 8%

Unique Features



Other Key features of Stree Nidhi

- Cost effective credit delivery- Apparent and Real cost of Transaction
- Credit limit allocation based on grading of Village Organizations
- Due diligence and Credit discipline (if over dues in banks, SHGs are not financed by Stree Nidhi)
- IT enabled services for transparency and speedier services
- Self-sustainable organization

Stree Nidhi-Management and Structure

- Registered as State level apex Federation under State Co-operative Societies Act' 1964
- State Govt., Mandal Samakhyas and Town level federations are share holders
- Governed by General Body and Managing Committee (MC)
- 24 MC members including 20 from community (16 from Rural and 4 from Urban) and 3 are State Government nominees: Prl. Secy, RD; Secy, Finance & Registrar of Cooperative Societies and Managing Director a professional.
- Three special invitees to the MC- CEO, SERP; MD, MEPMA;CEO, Mahila Abhivruddhi Society

Financial and other Services

Credit Services to SHGs in SERP and MEPMA

Deposits Services

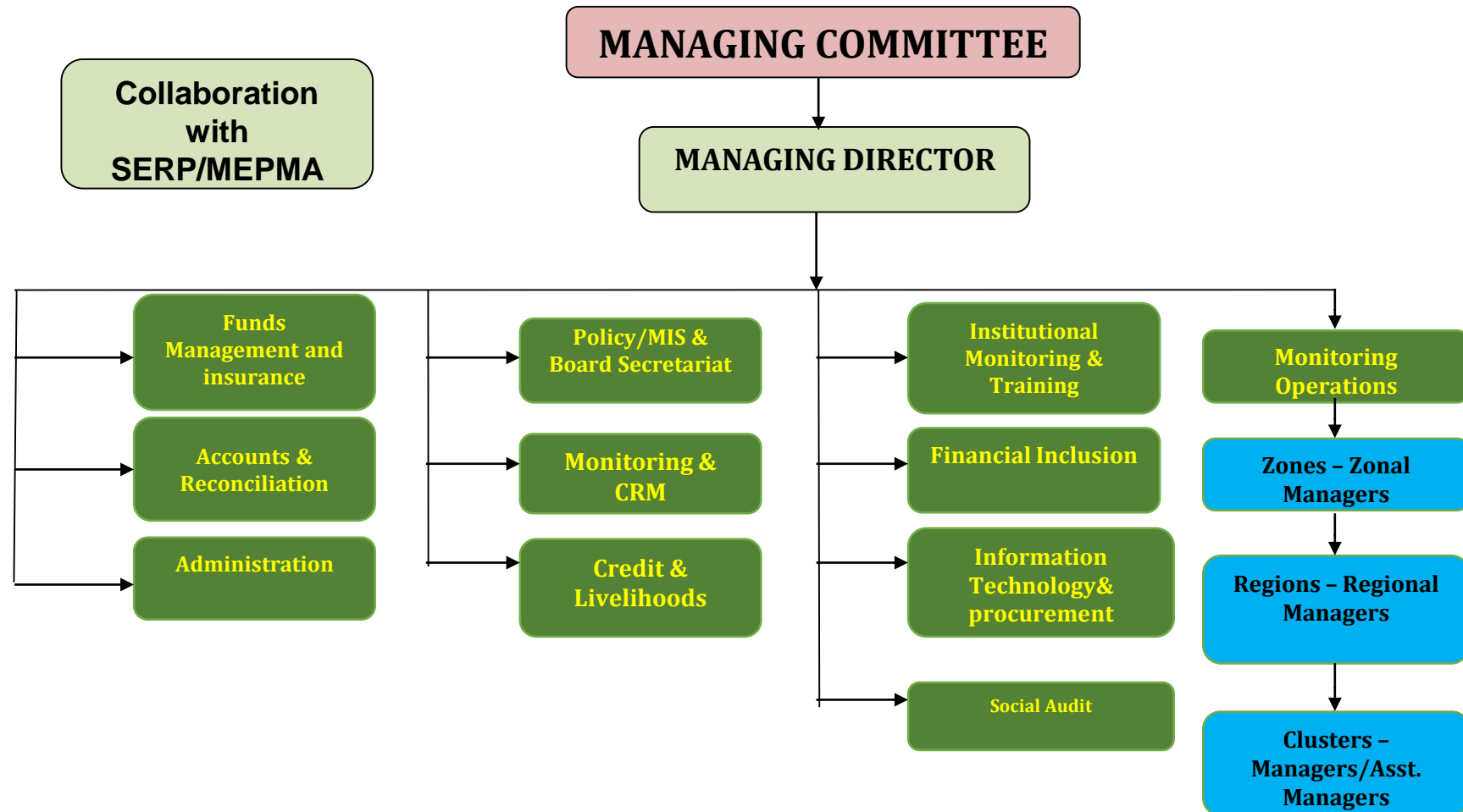
- Samruddhi -SHGs
- Sankalpa –SHG federations
- CIF Corpus deposit - MSs

Loan Suraksha services-Loan linked

Business Correspondent to banks

Implementation of State and Central Govt schemes –Loan and Pramada Bhima and Financing street vendors SEP, PMFME

STREE NIDHI - ORGANOGRAM



FINANCIAL RESOURCES

(Rs. Cr.)

Sl. No.	Resources	31-Mar-2026 (Provisional)
1	Share Capital from MS and TLF	595.43
2	Share Capital and Grants from Government of Telangana	101.14
3	Deposits from Community	939.96
4	Reserves and earnings ploughed back	709.94
5	Borrowings from Banks and other Financial Institutions	3133.20
	Total:	5479.67

Rating of STREE NIDHI for Borrowings

- Rating by M/S Infometrics ratings -Stree Nidhi rated with IVR A+
- Audit Classification 'A' - from Coop. Dept. for 9 consecutive years

LOAN PRODUCTS

Product Name	Purpose	Maximum Loan Amount	Repayment Period
Suvidha	Consumption & Low order livelihoods	Rs. 50000/-	24 months
Pragathi	Higher order Livelihoods	Rs.50,001 to Rs. 1,00,000/-	42 months-48 months
Akshaya	- do -	Rs. 1,00,001/- to Rs. 2,00,000	60 months
Sowbhagya	- do -	Rs. 2,00,001 to Rs. 3,00,000	60 months
Aishwarya	- do -	Rs.3,00,001 to Rs.5,00,000	60 months
Per member disbursement in FY 2024-25		: Rs.97,944/-	
Per member Outstanding		: Rs.47,556/-	

SPECIAL PROJECTS

- Implemented Street Vendor scheme of GOI
- Financing Housing repairs
- Electric vehicles: 2 wheelers and 3 wheelers (Auto/Auto trolley)
- Customer Hiring Centers (CHCs)
- Roof top Solar units.
- Back-Yard poultry/Mother units
- Dairy
- Generic Medical Stores

CAN CUSTOMISE ANY PRODUCT DEPENDING ON NEED

CREDIT PLAN

Role of Federations

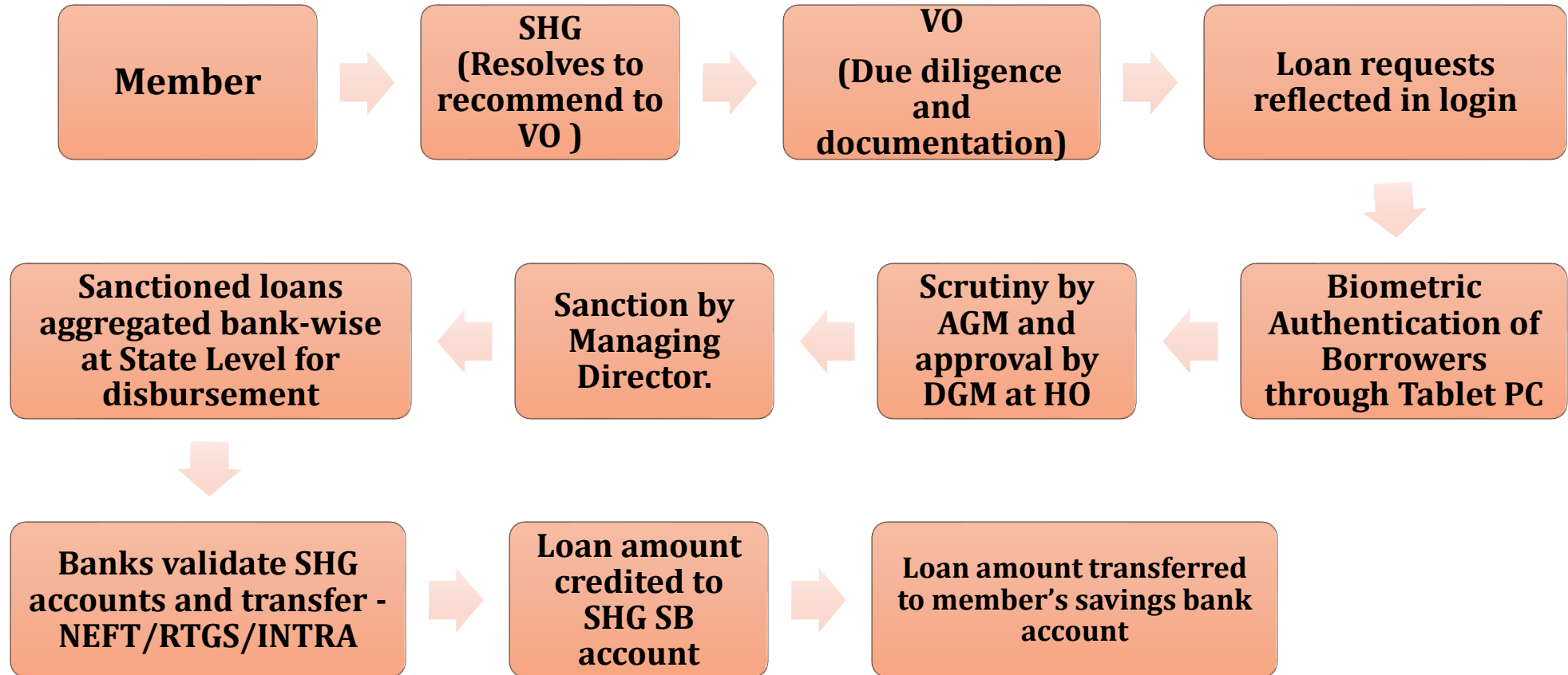
Due diligence by SHG/VO/SLF

Monitoring by VO/SLF and MS/TLF

SHG federations function as agents of Stree Nidhi

TECHNOLOGY

Loan application and processing



The loan amount will be credited to the SHG bank account within 48 hours of loan application.

Repayment Process

- SMS alerts sent one week before due date and after if loan is overdue
- SHG collects installment from members in their meetings and directly repay to Stree Nidhi.
- Use BBPS(UPI), SBI PoS, Payment gate way of UBI and Post offices
- Repayment details shared by bank with Stree Nidhi along with originating SB account number/ID number of SHG
- Prompt repayments is eligible for Interest subvention by State Govt.

FINANCIAL PERFORMANCE FOR LAST THREE YEARS

(Rs. Cr.)				
S.No	Particulars	2023-24	2024-25	2025-26 (provisional)
1	Loan amount outstanding	5102.64	5107.64	5444.71
2	Loan amount disbursed	1957.21	1947.16	2151.03
3	No. of SHGs availed loan	69439	62852	64432
4	No. of Members availed loan	224054	211614	219618
5	Gross NPA %	3.84	4.33	
6	Net NPA%	0	0	0
7	Net Profit	147.98	154.97	-
8	Dividend %	14	14	-

Organization is self-sustainable.

Total Digitization of Functioning

- Loan origination, Biometric authentication of borrowers- Finger print and facial-e-KYC
- On-line appraisal of loans and E- loan documentation
- Repayment using UPI –BBPS. PoS of SBI and Post offices
- Mana Stree Nidhi App for SHGs to see their transaction details
- Biometric attendance to staff-GPRS based work done module
- Tablet PCs provided to Staff
- Real time monitoring up to member level with required MIS
- It is a present day Start up and Fintech started a decade back

Strengths and competitive advantages of Stree Nidhi

- Community owned organizations are best suited for extending financial services to SHGs in a cost-effective way
- Community has key role in management, operations and decision making
- High cost of lending by NBFC-MFIs and SFBs particularly for SHGs
- Safe guarding CIF from GOI
- Financing producers companies/Cooperative Societies
- Cost effective credit delivery system unlike MFIs- Real cost of lending is low
- Social Audit makes people accountable, brings transparency and ensures end utilization

Contd....

- ✓ No inspection charges, no processing charges, etc.,
- ✓ No practices like equal distribution, creation of FDs out of loan, not allowing drawl from balances of SB A/Cs, levying other charges, etc.,
- ✓ Sharing of interest margin with VOs and MSs
- ✓ Dividend on share capital
- More than Rs. 500 Cr shared with community in last 10 years
- 0.5% Rebate in interest for prompt repayment
- Employment to SHG community-70 SHG members as Asst Managers
- 900 VLEs are getting livelihood providing banking services

Stree Nidhi for Community

- Community Benevolent Fund @0.25% of Profit
- Allocation of 4% Net Profit for strengthening of SHG federations in coordination with SERP/MEPMA
- 2% of profit for CSR
- Allocation of 2% Net profit for nurturing Neighbourhood centres managed by SERP
- **Cumulative amount disbursed Rs.25,000cr to 4,22,198 SHGs and 30,37,577 SHG members since inception**

Recognition at National Level

- RBI Innovation Hub mentioned in the year 2023 that “Stree Nidhi is truly unique model in digital lending for SHGs and stands out as a best practice in India”
- The high-power committee constituted by Govt., of India has recommended for replication of the model in other States and NRLM appointed Stree Nidhi as NSO
- Ministry of Housing and Urban affairs – identified Stree Nidhi for financing Street Vendors (PM SVANidhi) and SEP (Self Employment Programme. Awarded for best performance under cooperative sector at National level
- Identified for implementation of PMFME by Ministry of Food Processing Industries Govt. of India.
- A study by NIRD PR sponsored by NABARD mentioned that Stree Nidhi is a digital innovation in Indian Microfinance sector, made SHG borrowers financial literate and promoted micro enterprises
- Government of Telangana entrusted Stree Nidhi to implement Loan Bhima and Pramad Bhima schemes for SHG members in the State
- Study by IICA sponsored by NSTFDC mentioned that technology adopted by Stree Nidhi facilitated easy access to credit has created significant impact on poor.

THANK YOU!