Microfinance Company Software – Complete Feature List

If you are planning to develop a professional **Microfinance Company Management Software**, I recommend designing it as a complete financial management system covering loan operations, group lending, centre meetings, field collections, accounting, customer management and multi-branch administration.

Unlike Nidhi Company Software, microfinance software should give special importance to **SHG/JLG management, group-based lending, field officer operations, weekly collections and loan recovery**.

Below is a comprehensive feature specification suitable for software development and commercial sales.

1. Customer / Borrower Management

- Customer registration with unique Customer ID.
- Personal details and contact information.
- Aadhaar/PAN KYC verification through authorised integrations.
- Customer photograph and signature capture.
- Address and identity proof upload.
- Family member and nominee details.
- Occupation and income details.
- Household income and expense assessment.
- Customer risk profiling.
- Credit history and existing loan details.
- Duplicate customer detection.
- Customer status: Active, Inactive, Blocked, Deceased.
- Customer digital profile and complete transaction history.
- Customer ID card generation.
- Customer document management.
- Customer onboarding and verification approval.

2. SHG / JLG Group Management

Essential for microfinance

- Self Help Group (SHG) registration.
- Joint Liability Group (JLG) registration.
- Group ID generation.
- Group name and formation date.
- Group leader and deputy leader assignment.
- Member addition and removal.
- Group-wise member records.
- Group meeting schedule.
- Group meeting attendance.
- Group savings tracking.
- Group loan eligibility calculation.
- Group loan application.
- Group loan distribution among members.
- Joint liability and guarantor records.
- Group repayment tracking.
- Group performance and risk reports.
- Group closure and transfer management.

3. Loan Management System

- Multiple loan product creation.
- Individual loans.
- Group loans.
- SHG loans.
- JLG loans.
- Business loans.
- Agriculture loans.
- Livelihood loans.
- Emergency loans.
- Loan application registration.
- Loan eligibility calculation.
- Credit assessment.
- Loan approval and sanction.
- Loan disbursement.
- Loan repayment schedule.
- EMI calculation.
- Daily, weekly, fortnightly and monthly repayment options.
- Flat and reducing-balance interest calculation.
- Processing fees and other charges.
- Part payment and advance payment.
- Loan renewal and repeat loans.
- Loan top-up.
- Loan restructuring and rescheduling.
- Loan foreclosure.
- Loan cancellation.
- Loan statement and repayment certificate.
- Loan outstanding calculation.

4. Collection Management

Essential module

- Daily collection management.
- Weekly collection management.
- Monthly collection management.
- Centre-wise collection.
- Group-wise collection.
- Customer-wise collection.
- EMI collection.
- Savings collection, where applicable.
- Penalty and overdue collection.
- Partial collection.
- Advance collection.
- Cash and digital payment collection.
- Automatic receipt generation.
- SMS/WhatsApp collection receipts.
- Collection agent assignment.
- Collection target versus achievement.
- Daily collection sheet.
- Collection reconciliation.
- Cash handover to branch.
- Uncollected EMI tracking.
- Collection discrepancy alerts.

5. Centre Management

- Centre registration.
- Centre ID and location.
- Centre manager assignment.
- Centre meeting schedule.
- Group mapping under centres.
- Centre-wise borrower list.
- Meeting attendance.
- Meeting collection register.
- Centre-wise loan outstanding.
- Centre-wise overdue report.
- Centre-wise performance dashboard.
- Centre transfer management.

6. Field Officer / Loan Officer Management

- Field officer registration and employee ID.
- Branch and area assignment.
- Customer and group allocation.
- Daily visit planning.
- Customer verification visits.
- Loan application collection.
- Group meeting management.
- GPS-based field visit tracking.
- Attendance and location tracking.
- Daily collection targets.
- Collection performance monitoring.
- Field expense and travel allowance management.
- Officer-wise portfolio management.
- Recovery performance reports.
- Field officer commission and incentive calculation.
- Mobile application for field staff.

7. Loan Recovery & Overdue Management

- Automatic overdue identification.
- EMI due-date reminders.
- Overdue ageing reports.
- Days Past Due (DPD) calculation.
- Recovery follow-up management.
- Recovery officer assignment.
- Customer visit history.
- Call and follow-up records.
- Promise-to-pay tracking.
- Delinquency management.
- NPA classification as applicable.
- Recovery notices and legal notices.
- Settlement and restructuring workflow.
- Write-off management with approvals.
- Recovery performance dashboard.
- PAR (Portfolio at Risk) reports.
- Collection efficiency reports.

8. Savings & Deposit Management

For microfinance institutions offering permitted savings products or working with authorised deposit-taking partners:

- Savings account management.
- Voluntary savings tracking.
- Compulsory savings tracking, where permitted.
- Daily and monthly savings collection.
- Member-wise savings ledger.
- Savings withdrawal management.
- Savings balance statement.
- Interest calculation, where applicable.
- Savings maturity and closure.
- Savings transaction receipts.
- Savings reconciliation.

Note: Deposit-taking capabilities must be enabled only where the institution is legally authorised to offer them.

9. Accounting & Financial Management

- Double-entry accounting system.
- General ledger.
- Cash book and bank book.
- Receipt and payment vouchers.
- Journal and contra vouchers.
- Automatic accounting entries from loan transactions.
- Loan disbursement accounting.
- Interest income accounting.
- Processing fee accounting.
- Penalty income accounting.
- Branch-wise accounting.
- Head-office accounting.
- Trial balance.
- Profit and loss statement.
- Balance sheet.
- Cash flow statement.
- Bank reconciliation.
- Expense management.
- Fixed asset management.
- Depreciation calculation.
- Budget management.
- Financial year closing.
- Tally and Excel export.
- GST/TDS handling wherever applicable.

10. Bank & Payment Management

- Multiple bank account management.
- Bank-wise transaction records.
- NEFT/RTGS/IMPS payment tracking.
- UPI payment integration.
- Payment gateway integration.
- Bulk loan disbursement.
- Bank statement import.
- Automatic bank reconciliation.
- Failed transaction tracking.

- Payment settlement reports.
- Customer payment verification.
- e-NACH / NACH mandate management through supported providers.
- Auto-debit status tracking.
- Refund management.

11. Multi-Branch Management

- Multiple branch creation.
- Central head-office dashboard.
- Branch-wise customer management.
- Branch-wise loan management.
- Branch-wise collection management.
- Branch-wise employee allocation.
- Branch-wise cash management.
- Branch-to-branch fund transfer.
- Inter-branch accounting.
- Branch-wise targets.
- Branch-wise income and expenses.
- Branch-wise outstanding loans.
- Branch performance comparison.
- Branch activation and deactivation.
- Branch-wise permissions and restrictions.
- Consolidated company reports.

12. Member / Customer Mobile Application

- Customer login with OTP.
- View loan details.
- View outstanding balance.
- View EMI schedule.
- View payment history.
- Download loan statements.
- View upcoming EMI dates.
- Payment reminders.
- Online EMI payment.
- Download digital receipts.
- Submit service requests.
- Update contact information through verification.
- Complaint registration.
- Application status tracking.
- Regional language support.

13. Agent & Collection Management

- Agent registration and verification.
- Agent ID generation.
- Agent branch mapping.
- Area-wise agent allocation.
- Customer allocation.
- Daily collection entry.
- Agent cashbook.
- Agent cash handover.
- Agent commission calculation.
- Agent incentive management.

- Agent performance dashboard.
- Agent-wise collection reports.
- GPS and timestamp tracking.
- Mobile collection application.
- Offline collection entry and synchronisation.
- Agent activity history.

14. Staff & HR Management

- Employee registration.
- Employee ID generation.
- Department and designation management.
- Branch-wise employee allocation.
- Attendance management.
- Biometric attendance integration.
- Leave management.
- Salary and payroll.
- PF, ESI and TDS processing where applicable.
- Incentive and commission calculation.
- Employee performance tracking.
- Staff transfer management.
- Employee expense claims.
- Role-based access.
- Employee login and activity history.

15. Document & Agreement Management

- Customer KYC document storage.
- Loan application documents.
- Loan agreement generation.
- Sanction letter generation.
- Repayment schedule printing.
- Customer photographs and signatures.
- Guarantor documents.
- Group agreement documents.
- Document scanning and uploading.
- Digital signature integration where valid.
- Document verification workflow.
- Document expiry alerts.
- Document download permissions.
- Complete document history.

16. Compliance & Risk Management

- Applicable regulatory compliance dashboard.
- KYC and AML workflow.
- Customer due diligence.
- Risk categorisation.
- Credit bureau/CIC enquiry and reporting integrations, where applicable.
- Credit history verification.
- Multiple loan exposure monitoring.
- Customer indebtedness checks.
- Loan eligibility restrictions.
- Overdue and portfolio risk monitoring.
- Suspicious transaction alerts.

- Audit logs.
- Regulatory report preparation.
- Compliance calendar and reminders.
- Inspection and audit management.

For an Indian NBFC-MFI, the system should support applicable RBI requirements, including loan classification, borrower-level indebtedness checks, pricing disclosures and portfolio reporting. The exact compliance configuration should depend on the institution's legal category and current regulations.

17. Reports & MIS Dashboard

Report	Purpose
Daily Business Report	Daily loan and collection activity
Customer Report	Total and active borrowers
Group Report	SHG/JLG performance
Loan Disbursement Report	Disbursement details
Loan Outstanding Report	Outstanding loan amount
EMI Collection Report	Daily/weekly/monthly collections
Overdue Report	Pending EMI details
DPD Report	Days past due
PAR Report	Portfolio at Risk
Branch Performance	Branch-wise business
Field Officer Report	Officer-wise performance
Agent Collection Report	Agent-wise collection
Cash Position Report	Cash available at branches
Profitability Report	Branch-wise income and expenses
Recovery Report	Recovery performance

Additional dashboard features:

- Total loan portfolio.
- Total disbursement.
- Total outstanding.
- Total collection.
- Overdue amount.
- PAR 30 / PAR 60 / PAR 90.
- Active borrowers.
- Active groups.
- Collection efficiency.
- Branch-wise performance.
- Monthly business growth.

18. Security & Administration

- Role-based user permissions.
- Head office and branch-level access.
- Maker-checker approval system.
- Two-factor authentication.
- OTP-based login.
- IP and device restrictions.
- Transaction approval limits.
- User activity logs.
- Complete audit trail.
- Data encryption.
- Automatic database backup.

- Disaster recovery.
- Session timeout.
- Password management.
- Data export restrictions.
- Suspicious login alerts.

19. Advanced Features – Premium Version

These features can help differentiate the software commercially.

AI-Based Business Analytics

- Collection trend prediction.
- Borrower risk indicators.
- Cash flow forecasting.
- Branch performance analysis.

Live Field Force Tracking

- Field employee live location.
- Visit history.
- Route planning.
- Daily activity monitoring.

Automated Communication

- WhatsApp payment reminders.
- EMI due notifications.
- Collection confirmations.
- Loan approval notifications.

AI Customer Support

- Automated customer enquiries.
- Loan status enquiries.
- EMI information.
- Complaint assistance.

20. Software Configuration & Customisation

Especially important if you plan to sell the software to multiple microfinance companies.

- Company-wise software configuration.
- Multi-company management.
- Company logo and branding.
- Custom receipt formats.
- Custom loan agreement formats.
- Custom repayment schedules.
- Configurable loan products.
- Configurable interest calculation methods.
- Configurable charges and penalties.
- Custom user roles.
- Custom approval workflows.
- Custom report builder.
- Excel/CSV data import.
- Existing software data migration.

- Multiple language support.
- API integration support.
- White-label software options.

Recommended software development structure

I would divide the complete software into four packages:

Package	Main modules
Basic	Customer, Loan, EMI, Collection, Accounting
Professional	SHG/JLG, Centre, Field Officer, Recovery, Multi-Branch, MIS
Enterprise	Mobile Apps, Payment Gateway, Compliance, HR, Advanced Security
Premium	AI Analytics, Live Tracking, Automation, White-label, Advanced Integrations

15 features I would prioritise

If you want to develop a commercially competitive microfinance software, these are particularly important:

1. Customer and KYC Management.
2. SHG/JLG Group Management.
3. Loan Application and Approval.
4. Loan Disbursement.
5. Daily/Weekly EMI Management.
6. Centre Meeting Management.
7. Field Officer Mobile App.
8. Agent Collection App.
9. GPS Field Tracking.
10. Loan Recovery and PAR Management.
11. Automatic Accounting.
12. Multi-Branch Management.
13. Customer Mobile App.
14. RBI/CIC Compliance Support, where applicable.
15. Advanced MIS Dashboard.

One important product distinction: Microfinance software should be built around group lending, centre meetings, field operations and repayment collection. These are the areas that deserve more development attention than they would in ordinary banking or Nidhi software.

This gives you a comprehensive foundation for a **Microfinance Management Software – Multi-Branch Edition**, suitable for NBFC-MFIs and other legally eligible microfinance institutions, with configurations tailored to their regulatory category.