

Snapshot of Operations

Introducing NABFINS - Mobile App . . .

Overall Performing District

Particulars	November 2015	Cumulative position
No. of SHG financed	1702	71069
No. of SLI financed	8	118
No. of PTSLP groups financed	32	639
Loan amount disbursed under SHG model (In Rs.Crore)	66.20	2577.37
Loan amount disbursed under SLI model (In Rs. Crore)	2.02	45.07
Loan amount disbursed under PTSLP model (In Rs.Crore)	0.59	12.98
New districts covered	6	83
No. of B&DC/DFs empaneled	2	259
Outstanding as on November 30, 2015 (In Rs. Crore)		812.59



NABFINS management congratulates the Nagapattinam District Team led by Shri Sathish Kumar for its overall performance. Besides fulfilling loaning obligations and

repayment the district is successfully managing a diversified portfolio including SHG, SLI and PTSLP. The district maintains proper MIS at back office. The district has also successfully implemented safe drinking water project and toilet project in three schools in the district as part of NABFINS CSR initiative.

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The mobile application will be helpful in conducting operations like Post Disbursement Visits, Capturing KYCs, attendance etc. electronically through mobile phones.

Sector updates

- Reserve Bank of India vide its notification no. RBI/2015-16/257 FIDD.CO.Plan.BC.No.14/04.09.01/2015-16 dated December 03, 2015 has revised the guidelines for Priority Sector Lending for Regional Rural Banks. According to the comprehensive revised guidelines on Priority Sector Lending, the revised targets will be 75 per cent of total outstanding to the sectors eligible for classification as priority sector lending. The revised guidelines will be operational with effect from January 1, 2016.
- Reserve Bank of India vide its notification no. RBI/2015-16/262 DBR.No.Ret.BC.64/12.01.001/2015-16 dated December 10, 2015 has announced a reduction in Statutory Liquidity Ratio (SLR) of scheduled commercial banks, local area banks, primary (Urban) co-operative banks (UCBs), state co-operative banks and central co-operative banks in its fourth Bi-Monthly Monetary Policy Statement 2015-16. As per the statement, SLR for the banks is reduced from 21.5 per cent of their Net Demand and Time Liabilities (NDTL) to (i) 21.25 per cent from April 2, 2016 (ii) 21.00 per cent from July 9, 2016 (iii) 20.75 per cent from October 1, 2016 (iv) 20.50 per cent from January 7, 2017.
- Reserve Bank of India vide its notification no. RBI/2015-16/266 DBR. No. Ret. BC. 66/12.07.136A/2015-16 dated December 10, 2015 advised inclusion of 'IDFC Bank Limited' in the Second Schedule of to the Reserve Bank of India Act, 1934.
- Reserve Bank of India vide its notification no. RBI/2015-16/273 DBR.No.Dir.BC.67/13.03.00/2015-16 dated December 17, 2015 has released Final Guidelines on computing interest rates on advances based on the Marginal Cost of Funds. The guidelines will come into effect from April 1, 2016.
- A revised Code of Conduct for MFIs in India has been jointly released by MFIN and Sa-Dhan, Self in Inclusive Finance India Summit 2015 held at New Delhi on 8th and 9th December 2015. The revised Code of Conduct has emphasized for stronger standards on corporate governance, measures to reduce client over-indebtedness, mandating use of Aadhaar over a period of two years, strengthening grievance redressal management and enforcement of the CoC.
- Reserve Bank of India has released 'Report of the Committee on Medium-term Path on Financial Inclusion' on December 28, 2015.

Salient recommendations - Report of the Committee on Medium-term Path on Financial Inclusion - RBI

Given the predominance of individual account holdings (94 per cent of total credit accounts), a unique biometric identifier such as Aadhaar should be linked to each individual credit account and the information shared with credit information companies to enhance the stability of the credit system and improve access.

To improve 'last mile' service delivery and to translate financial access into enhanced convenience and usage, a low-cost solution should be developed by utilisation of the mobile banking facility for maximum possible G2P payments.

To phase out the agricultural interest subvention scheme which has distorted the agricultural credit system and ploughing the subsidy amount into an affordable technology aided universal crop insurance scheme for marginal and small farmers for all crops with a monetary ceiling of Rs.200,000 at a nominal premium to end agrarian distress.

An eco-system comprising multiple models should be encouraged which will foster partnerships amongst banks having nationwide branches, regional banks of various types, NBFCs, semi-formal financial institutions, as well as the newly-licensed payments banks and small finance banks.

Introduction of online registration system of , their training and monitoring their activity including delinquency and entrusting more complex financial products such as credit to trained BCs with good track record.

To step up the self help group (SHG)-bank linkage programme (SBLP) initiated by NABARD with the help of concerned stakeholders including government agencies as a livelihood model.

Provision of credit history of all SHG members by linking with individual Aadhaar numbers to check over-indebtedness.

More ATMs in rural and semi-urban centres, interoperability of micro ATMs and use of application-based mobiles as point-of-sale (PoS) for creating more touch points for customers.

All regulated entities should be required to put in place a technology-based platform for SMS acknowledgement and disposal of customer complaints.

NABFINS quick response in Tamil Nadu Flood relief works



NABFINS, with support of its partners had been proactively engaged in flood relief operations in Kanchipuram, Chennai, Thiruvallur and Cuddalore districts of Tamil Nadu during the recent flood. It has organized health camps, distributed food and medicines to the affected communities in the relief camps.

National Financial Inclusion Conference 2015 was organized by Sa-Dhan on 8th and 9th October, 2015 at New Delhi. The theme for this year's conference was **'Reaching the Unbanked through Digital Revolution'**. Deliberations, plenary sessions and panel discussions on wide range of subjects relevant to Financial Inclusion and Microfinance were conducted in the two-day conference. Key note address was delivered by Shri H R Khan, Deputy Governor, RBI in which he highlighted the importance of **five 'I's - 'Institutional design, Innovation, Insurance, Incentives and Interconnectedness'** to make financial inclusion initiatives in India more viable. Shri Harsh Kumar Bhanwala, Chairman, NABARD delivered special address in which he emphasized the importance of technology and digitization in bridging last-mile gaps in financial inclusion. **Bharat Microfinance Report-2015** – an annual publication on microfinance industry in India was also released in the conference.

NABFINS Updates

Milestone...!

Managing Director addressed the International Economics Conference on Global Economic Growth & Sustainability:

Dr B. S. Suran, Managing Director, NABFINS addressed the delegates of the International Economics Conference on Global Economic Growth & Sustainability at the SDMIMD, Campus at Mysuru. Speaking at the Conference he exhorted the importance of Financial Inclusion and the importance of participation of poor and unbanked in the economic growth of the country. He emphasized that while technology could be an enabler for this inclusive process, but real and sustainable inclusive process can be driven by committed community (resource) persons who command respect and trust of the unreached. He highlighted the need for an iterative financial literacy initiative for these segments of the community and suggested that access to financial services alone will not serve much purpose unless it is coupled with affordability, adaptability and acceptability.



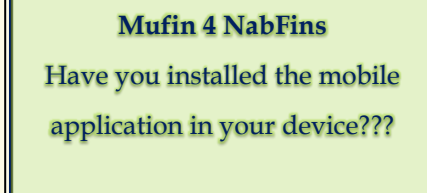
NABFINS participated in National Seminar on 'Financing Agri Value Chains: Challenges and Opportunities'

National Seminar on 'Financing Agri Value Chains' was organized jointly by National Bank for Agriculture and Rural Development (NABARD) and International Food Policy Research Institute (IFPRI) at Bankers Institute of Rural Development, Lucknow on 29th & 30th November 2015. Shri. Ranjan Prasad, Senior Manager NABFINS participated in the seminar. Major learnings from the highly enriching session were a demand driven production chain, developing proper infrastructure to mitigate the losses in Pre & Post harvest, studying and understanding the potent bank financing venues in different phases of value chain in agriculture and its allied activities, major amendments to be made in APMC Act, framing farmer-trader friendly conducive policies for better price discovery and realization, promotion of warehouse receipt finance, promotion of FPOs and government acting as a facilitator to have a win-win business eco system.



Mufin-4-NABFINS - Mobile Application for business operations

As a part of our continuous endeavor to improve the efficiency of our operations, NABFINS decided to use the mobile technology as a business enabler. Towards this end, NABFINS with the help of M/s Karabi Software, Bengaluru developed and launched a mobile application to automate some of our business processes like Post Disbursement Visits, KYC of customers etc. for different products. The application is GPS enabled and will help to capture real time information about field operations. The application has gone live from January 1, 2016.



Webinar conducted on 'Credit appraisal for Financing Second Level Institutions'

As a part of capacity building program of the staff of NABFINS, a webinar on 'Credit appraisal for Financing Second Level Institutions' was conducted on December 04, 2015 in collaboration with Bankers Institute of Rural Development (BIRD), Lucknow. Staffs from NABFINS Head Office and various district offices actively participated in the Webinar. Faculty members from BIRD delivered session focusing on financial appraisal of SLIs followed by interactive session in which they cleared up various queries raised by the participants. The webinar concluded with vote of thanks to BIRD by Dr. B. S. Suran, Managing Director, NABFINS.

Sysfore - Mobile Application for Internal Audit & Risk Control

With an objective to digitize its internal audit systems, NABFINS has launched a mobile application with the help of M/s Sysfore Technologies Pvt. Ltd., Bengaluru. The application has gone live from December 2015 onwards for risk based audit of district offices across NABFINS' operational areas.

Auditors' Corner

Cartoon Space

NABFINS started lending through B&DC model since January 26, 2010 and as of now, 97% of our loan portfolio is under the B&DC model. Maintaining relationship with ultimate borrower/s (SHG) and adhering to defined processes serves as the key to maintain healthy loan portfolio under this model of lending. Periodical PDVs and ensuring proper monitoring to loans helps to strengthen the relationship with the client and helps to build awareness about the day to day field realities. Here are a few suggestions to strengthen our loan monitoring and control mechanisms to ensure maintain a good asset quality:

1. Independent Post Disbursement Visits (PDVs) by FSO/DM/RM without involving B&DC staff;
2. Surprise field visits and PDVs by RMs/DMs;
3. Ensuring 100% E-transfer during loan disbursements;
4. Ensuring that updated loan cards & repayment receipts are available with the group;
5. Attending B&DC staff meetings/Board meetings and sharing field level information;
6. Daily tracking of demand, collection and remittance with B&DCs and HO;
7. Monthly analysis and sharing of PDV observations with B&DCs.



They can SIT for ages to catch Indians with black money in Swiss accounts.
Source: <http://timesofindia.indiatimes.com/>

"Year's end is neither an end nor a beginning but a going on, with all the wisdom that experience can instill in us." - Hal Borland