

Snapshot of Operations

Particulars	December 2015	Cumulative position
No. of SHG financed	1,746	72,815
No. of SLI financed	1	119
No. of PTSLP groups financed	15	639
Loan amount disbursed under SHG model (In Rs. Crore)	64.92	2,642.29
Loan amount disbursed under SLI model (In Rs. Crore)	0.27	45.34
Loan amount disbursed under PTSLP model (In Rs. Crore)	0.25	13.49
New districts covered	3	86
No. of B&DC/DFs empaneled	2	261
Outstanding as on December 31, 2015 (In Rs. Crore)		810.98

Overall Performing District



NABFINS management congratulates Erode District Team lead by Mr. T. S. Ramanujam for their overall performance.

Besides fulfilling loaning obligations and repayment the district has successfully managed a quality loan portfolio.

Sector updates

The Union Cabinet has approved conversion of MUDRA Ltd, an NBFC, into MUDRA Bank and also setting up of a Credit Guarantee Fund for loans disbursed under the Pradhan Mantri Micro Units Development Refinance Agency (MUDRA) Yojana on January 06, 2016.

In view of the Supreme Court's interim orders dated August 11, 2015 and October 15, 2015 on usage of Aadhaar, Reserve Bank of India vide its notification no. RBI/2015-16/289 FIDD.CO.LBS.BC. No.17/02.01.001/2015-16 dated January 14, 2016 has clarified that use of Aadhaar Card and seeding of bank accounts with UID is not mandatory for the Direct Benefit Transfer Scheme.

Reserve Bank of India vide its notification no. RBI/2015-16/295 DBS.CO.CFMC.BC.No.007/23.04.001/2015-16 dated January 21, 2016 has made amendments to Master Circular on Frauds – Classification and Reporting with immediate effect. According to the amendments a Central Fraud Registry (CFR) has been operationalised with effect from January 20, 2016 and revision has been made in the limits in reporting of Fraud Cases.

Based on the suggestions of working group, Reserve Bank of India vide its notification no. RBI/2015-16/291 DBR.CID.BC.No.73/20.16.56/2015-16 dated January 14 2016, has issued directions for phase wise implementation of Credit information reporting in respect of Self Help Group (SHG) members. To ensure that the quality of the data is not compromised, the new directions have set out the structure of credit information collection and reporting in respect of SHGs. The information requirements will be implemented in two phases. The first phase will commence from July 01, 2016 and last for one year. The depth of the credit-related information to be collected would increase in Phase II to be implemented from July 01, 2017.

Reserve Bank of India vide its notification no. RBI/2015-16/296 FIDD. GSSD. CO. BC .No. 19/09.01.03/2015-16 dated January 21, 2016 has issued revised guidelines on Interest Subvention Scheme on Credit to Women SHG during the year 2015-16 for all Public Sector Banks, Regional Rural Banks and Rural Co-operative banks in 150 districts under National Rural Livelihood Mission. As per the revised guidelines all women SHGs will be eligible for interest subvention on credit upto Rs. 3 lakhs at 7% per annum. Further, the SHGs will be provided with an additional 3% subvention on the prompt repayment of loans. SHGs availing capital subsidy under SGSY in their existing credit outstanding will not be eligible for benefit under this scheme.

According to a report by ICRA rating agency, overall microfinance portfolio is likely to cross Rs 1 trillion considering an annual growth rate of 10-15 per cent for SHGs and 30-35 per cent for NBFC-MFI for the next two years.

Government of India is in discussions with the Reserve Bank of India (RBI) to allow more free ATM transactions for certain types of accounts as part of its drive to deepen financial inclusion through the spread of cash-vending machines.

Owing to a few concerns the Reserve Bank of India is studying to frame regulations for Peer-to-Peer Lending, platforms of large-scale lending of money between people online.

Women Goatherds in Bodi West Hills region of Theni district of Tamil Nadu floated the Theni District Goat Farmers Producer Company Limited (TniGPCL), which deals with the sale and purchase of goats, the village meat shop and support services to farmers members. These women also use voicemail for receiving advisories on various topics on goat rearing such as better breed selection, feed, health management and animal care to achieve higher productivity.

NABFINS Updates

89th meeting of NABFINS' Board of Directors held at NABFINS Head Office, Bengaluru

Company's 89th meeting of Board of Directors was held at NABFINS Head Office, Bengaluru on January 22, 2016. Senior authorities appraised the Board about company's business and performance for FY-2015-16. The Board also reviewed various operational policies and approved new policies on different functional areas such as Risk Management, Audit and Internal Control, Operations and Corporate Social Responsibility, that will come into effect subsequently.

Release of Manuals by NABFINS Board

NABFINS Board released 'Manual on Loaning Operations' and 'Manual on Loan Documentation' on January 22, 2016. The manuals cover the existing business models/loan products and its processes approved by the Board of Directors of our Company. Operational processes pertaining to loan origination, appraisal, sanction, documentation, disbursement, recovery, review and monitoring etc. has been explained in the manuals. The manual will serve as a ready reckoner to all the staff members, particularly to the staff at the field level.





'Swachh Vidyalaya Abhiyan' – NABFINS signs MoU with Sulabh International for implementation of its CSR Initiative

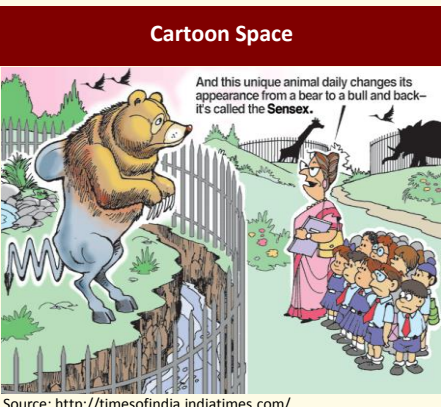
NABFINS as a part of its Corporate Social Responsibility has launched 'Swachh Vidyalaya Abhiyan' initiative. The project will focus on addressing issues related to health and sanitation in the government schools located in its operational areas. As a part of this initiative NABARD Financial Services Ltd. signed an agreement with Sulabh International Social Service Organization for construction of toilets in eight government schools in Tumakuru and Kolar districts of Karnataka. NABFINS has implemented projects worth Rs. 27.06 Lacs in FY-2014-15 and the company's board has recently sanctioned projects worth for Rs. 45.37 lakhs to be implemented in FY-2015-16. Besides implementing these projects NABFINS has also made contributions to Swachh Bharat Kosh set up by Government of India.

NABFINS Management congratulates Mr. Dhandapani M., Financial Service Officer, NABFINS-Krishnagiri District for successfully completing various e-learning courses on Self Help Groups (SHGs) from Bankers Institute of Rural Development (BIRD), Lucknow.



NABFINS commemorate 67th Republic Day

NABFINS celebrated 67th Republic Day on January 26, 2016. On this occasion company's Managing Director Dr. B. S. Suran hoisted the Tricolor at the company's Head Office followed by National Anthem. Shri B. Uday Bhaskar, General Manager, in his address paid tribute to the national leaders and freedom fighters for their contribution in independence. He highlighted the significance of republic day and extended his wishes to the team. While addressing on the occasion, Dr. B. S. Suran, Managing Director emphasized the role of institutions like NABFINS in tackling the challenges such as poverty, food security, climate change etc. that India is facing. He also insisted the team to contribute their best in these problems by doing their best.



Stressed Asset Section

NPA Management - Escalation Matrix #					
Responsibility >>	Severity level 1 (District office)	Severity level 2 (District office)	Severity level 3 (Reg. Manager)	Severity level 4 (HO level)	
Elapsed time V	FSO concerned	Dist Mgr/ i/c	Reg. Manager	Stressed Asset	Activities and Triggers by the designated staff
a. Call BDC staff -daily	MIS-FSO				Every day & ensure End of the day transaction
b. On due date:	MIS-FSO				Call BDC for pending recoveries & cross check payments made by SHG level
c. 1-2 days Noticed: Delayed payment - OD	MIS-FSO informs-FSO				Call BDC staff & SHGs concerned and cross check payments or any part payments done.
d. 3 Days - delayed payment/ part payment	FSO concerned				Call SHG *- FSO to follow up visit to BDC office
e. 4-7 Days delayed payment/ part payment	FSO concerned				Visit SHG concerned and Call on B&DC staff at office to inform delay and necessary action
f. >7-10 Days-OD	FSO concerned				Repeat visit SHG concerned & with BDC staff, FSO to ensure repayment / remittance in 3 days
g. >10-14 Days OD		Dist Mgr/ DI			If the issue is not resolved in 10 days -Inform CEO of BDC; Dist team with FSO to visits SHG concerned
h.> 14 - 20 Days OD		Dist Mgr/ DI			Inform the B&DC in writing about the delay. Repeat visit by dist staff to continue
i. 20-30 Days OD		Dist Mgr/ DI			Repeat visit to CEO and BDC along with DM/FSO
j. >30-40 Days Overdue			Regional Manager		RM to call BDC-CEO and pursue the case.
k.> 40-50 Days Overdue			Regional Manager &DM		BDC to be cautioned for the second time in writing & inform B&DC cell at HO
l.> 50 -60 Days Overdue			Regional Manager	Inform stressed asset team	Issue " letter of concern " to B&DC
m.> 60 Days Overdue				Stressed Asset Team (SAT)	Withhold Commission on a "Case by Case" assessment, other action to be taken / strategy
n. >90 Days Overdue				COO & SAT	Stop further grading till recovery improves; if the amount involved is large; NABFINS staff steps in.

IMPORTANT: all staff at the district office to meticulously follow this suggested escalation matrix. The prime responsibility of ensuring that EOD is done by all BDCs and timely identifying the delayed payments (if any) and cautioning the FSO concerned and DM/DI rests with MIS-FSO.

* There could be cases where payment or recovery is made by SHG concerned, BUT, payment has not been remitted by BDC to bank, in which case the same protocol shall be strictly followed.

** any case of specific BDC staff indulgence of diversion/ delay will be informed to BDC –CEO for necessary and corrective action. Any inaction noticed by B&DC will be informed Dist. Manager, followed by information in writing to B&DC-CEO with a copy to BDC cell at HO.

CARE:

Though the focus of recovery should be for amounts above Rs. 5000/- to trigger this escalation matrix, the MIS-FSO shall act promptly and follow up the concerned FSO for recovering all part payments of defaults less than Rs 5000/. FSO concerned will endeavor to close all such cases within a fortnight's time. However, any repayments/ overdue for larger sums above Rs 1,00,000/- should be escalated to DM level / RM level for immediate corrective action.

Stressed Asset Team – to continuously monitor progress and make visits to field visits to SHG concerned on a case by case basis to resolve issue.

"Success isn't about how much money you make. It's about the difference you make in people's lives." – Michelle Obama