

Snapshot of Operations

Particulars	October 2015	Cumulative position
No. of SHG financed	1824	69,369
No. of SLI financed	-	110
No. of PTSLP groups financed	151	637
Loan amount disbursed under SHG model (In Rs.Crore)	70.31	2,511.22
Loan amount disbursed under SLI model (In Rs. Crore)	-	43.04
Loan amount disbursed under PTSLP model (In Rs.Crore)	3.16	12.39
Number of District where the business newly started	1	77
No. of B&DC/DFs empaneled	4	258
Outstanding as on October 31, 2015 (In Rs. Cr.)	808.50	-

Outstanding Performer for the month

NABFINS management congratulates the Mysuru District Team led by Shri D. Kumara for outstanding performance during the month of October, 2015. Mysuru team takes care of 3 districts viz., Mysuru, Mandya and Kodagu. Mysuru team has been consistently performing on the business parameters in both SHG & SLI model. Mysuru has also been hot bed of pilots and experiments for NABFINS.



Sector updates

- A provision was made for levying a Swachh Bharat Cess on all services for financing and promoting Swachh Bharat initiatives. The Central Government vide Notification No. 21/2015-ST dated November 6, 2015 has notified that Swachh Bharat Cess (SBC) is applicable on all taxable services from November 15, 2015. This has increased the service tax rate from 14 % to 14.50%.
- The Framework for revitalizing Distressed Assets in the Economy was issued by the Reserve Bank of India vide circulars DBR.BP.BC.No.39/21.04.132/2015-16 and DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015 and the same is applicable for all NBFCs.
- The country's microfinance industry witnessed 28 per cent rise in client base to 2.63 crore in the second quarter and the aggregate gross loan portfolio (GLP) of MFIs grew by 76 per cent to reach Rs. 36,660 crore, according to industry body Microfinance Institutions Network (MFIN). Also, the number of branches has increased to 8,616 as on September 2015 (from 7,396 a year ago) and the numbers of employees serving in the microfinance industry are 73,148.
- RBI vide its notification DNBS CC. PD. No. T1/03 dated November 26, 2015 has indicated that the tenure of loan up to Rs.30,000/- could be less than 24 months. As per earlier policy, loans above Rs. 15,000/- must be provided tenure of over 24 months.
- Ahmedabad-based startup, Lending Kart joins hands with Singapore-based startup Lenddo and will use social media to evaluate borrower creditworthiness. As part of the collaboration, the two companies will explore alternative credit scoring solutions based on non-financial data sources and expect to speedily improve financial inclusion in the Indian market.
- Asian Development Bank (ADB), IndusInd Bank (IBL) and IFMR Capital have signed second partial guarantee programme to provide local currency financing to microfinance institutions (MFIs) in India. The guarantee from ADB and IFMR shall cover default risk of selected MFIs at agreed ratio. IndusInd Bank is selected as a local currency lender with initial allocation of up to \$20 million of guarantee limits from ADB.

Abbreviations & Acronyms

NBFC-ND(SI)	Non Banking Financial Company-Non Deposit Taking (Systemically Important)
NPA	Non Performing Asset
PAR	Portfolio At Risk
GLP	Gross Loan Portfolio
CAMEL	Capital Adequacy, Asset Quality, Management, Earnings & Liquidity Management
RRB	Regional Rural Bank
PACS	Primary Agricultural Cooperative Societies
NIM	Net Interest Margin
CRAR	Capital to Risk (Weighted) Assets Ratio
PTSLP	Post Tsunami Sustainable Livelihood Programme

Definition

Non-performing Asset (NPA) means an asset/loan for which interest/principal payment has remained overdue for a period of 90 days or more. In simple words, Gross NPA is the amount which is outstanding in the books, regardless of any interest recorded and debited. However, Net NPA is Gross NPA less regulatory provisions on NPA.

NABFINS participated in 4th National Seminar on Microfinance: Shri Ashutosh Kumar, COO and Shri Bibhu Mishra, AGM (Risk) attended the 4th National Seminar on Microfinance conducted on 16-17 October, 2015 at Bankers Institute of Rural Development, Lucknow. The seminar focused on the following broad themes for deliberations – 1. Microfinance in periods of disasters and areas of ecological distress 2. Bearing of multiple financing and over financing on the recovery performance of microfinance clients 3. Other Issues like- issues and dimension of the transaction cost in microfinance sector, urban microfinance, repayment performance 4. Future road map of microfinance in country. It was shared that areas prone to disasters and ecological distress like in Jammu & Kashmir, Uttarakhand, Rajasthan have seen very less penetration of microfinance. There are huge requirement for microfinance services especially to sustain their livelihoods during period of disasters. Presentations shared that there is direct relationship of multiple finance over the repayment performance of clients. Underfinance and formalities associated with SHG-BLP is reason for clients preferring NBFC-MFI to bank. The panelist in their deliberations mentioned the relevance of models like of NABFINS which reduces the transaction cost both for the client as well as for suppliers of credit. Honorable Minister for Rural Development, Government of India was chief guest at the occasion.

NABFINS participated in UNDP Seminar: The United Nation Development Programme (UNDP) commissioned a study on Financial Cooperatives in the context of financial inclusion (FI). The purpose of the study is to understand the state of financial cooperative sector in India and identify factors that enable these cooperatives to contribute to the effective financial inclusion drive. UNDP invited NABFINS for the presentation of the report which was attended by Shri Vinod Chandrasekharan, CFO and Shri C Anand, Sr. Manager. Various aspects relating to the report especially the experience of NABFINS in financing cooperatives were highlighted during the meeting. It was shared that PACS can also play an active role by becoming Business Correspondent of commercial banks. The success of NABARD's initiative to facilitate the process of bringing the Co-operative Sector onto Core Banking Solution (CBS) platform was also shared in the seminar. During the meeting, Smt Smita Premchander, promoter of Sampark had gratefully acknowledged the support of NABFINS in supporting the Cooperatives promoted by them.



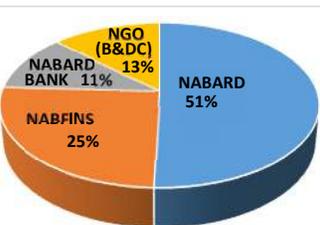
Business Scouting Visit to Mizoram: NABFINS Managing Director, Dr. B S Suran, and Shri Ashutosh Kumar, COO undertook visit to Mizoram from 28th October, 2015 to 30th October, 2015. The visit was to understand the ecosystem and explore the possibilities of starting NABFINS first operations in North Eastern States. The two day visit started with the meeting of NGOs operating in Mizoram. In this meeting NGOs were introduced to NABFINS and its field operations. NABFINS model generated lot of interest amongst the NGOs which were facing difficulties in getting credit linkages for their groups. The team also called on Chief Secretary and Finance Secretary of Mizoram state. Both the officials were briefed about NABFINS operations and willingness of NABFINS to start its operations in Mizoram. NABFINS team sought state government's support and equity participation in the Company's operations in Mizoram. The team also undertook field visit of an NGO, 'OPEN DOOR' which has shown interest to become B&DC of NABFINS. Team interacted with the groups and tried to understand the status of SHGs and their requirement. NABFINS team also conducted short recruitment drive to select candidates for Mizoram Operations. The team acknowledges the excellent support from the Mizoram Regional Office of NABARD.

Why Women Self Help Group Members Make for Good Bank Agents

Recent pilot projects conducted by the Rural Financial Institutions Programme (the RFIP, a cooperation program between GIZ India and NABARD) demonstrated that engaging female community members in village financial services can be more effective than using typical customer service representatives as banking agents. The RFIP supported two Regional Rural Banks to engage members of local Self-Help Groups (groups of 10-20 women who come together to save, lend, help each other financially, and optionally receive bank credit as a group) as banking agents (Customer Service Providers or CSPs) to bring financial services to low-income customers in villages. This proved to be an effective approach that resulted in higher numbers of active accounts handled by CSPs and higher activity rates in savings accounts.

From The Telcaller's Desk

Who provided the credit, what clients say?



Based on the direct feedback received from SHG members, members of only 25% of groups identified - NABFINS as the lending institution out of the 107 SHGs contacted across 15 districts and 27 B&DCs in three states. Field staff must spend adequate time in effective communication and brand building of NABFINS

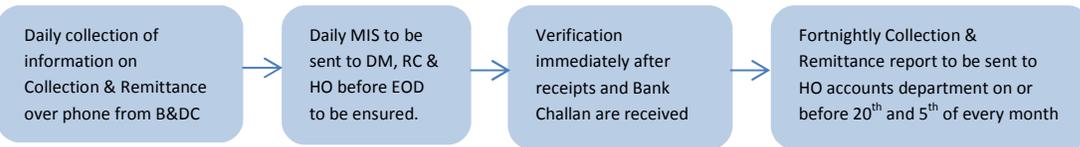
E-Learning courses from BIRD

BIRD (Bankers Institute of Rural Development), Lucknow has launched "e-learning courses" on important topics of interest to NABFINS. It's rich in content and coverage and has animations to make reading interesting and also has an online test. It also generates a personalized Certificate! The course content is useful for the staff of NABFINS and are encouraged to register and avail the facility. Please register for the course on "www.birdlucknow.in". NABFINS staff completing the short courses on line with distinction will also receive a merit certificate from NABFINS.

Activity	Type of CSP	
	SHG Members	Conventional
% of saving accounts that are active	93%	54%
% of non-dormant accounts per CSP	87%	38%
No. of transactions per month per CSP	448	101

Auditor's Corner

MIS FSO - Timeliness and Data Accuracy: Timely accounting of loan repayments is one of the key tasks assigned to MIS –FSO posted in districts. The demand/collection/remittance information from different sources like : (a) POS/Manual receipts (b) Bank remittances (c) Current demand sheet (d) Demand in respect of overdue accounts needs to be reconciled promptly. The officer is also expected to ensure that EOD is done on a daily basis by all the partner B&DCs.



Cartoon Space



"Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry".
-Bill Dravton