



"Ups and downs in life are very important to keep us going, because a straight line even in an ECG means we are not alive"

- Ratan Tata

# Varta

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## Changing With The Times

Every new year comes with new hopes and challenges. For a business such challenges are manifold and varying in nature.

We have entered a time, when right from global to domestic affairs everything is fast changing. No dynamics or model is sustainable for a longer period of time, primarily due to technological evolution. Consider this, America had jealously preserved its oil reserves for a long time and its oil companies working in West Asia or Gulf of Mexico made a bountiful on high oil prices. Today America sells oil to the world, thereby keeping the prices range bound. The reason behind is an effective increase in America's oil production potential following discovery of Shale extraction technology and huge technological advances in

renewables which started meeting part of the demand for fossil fuel.

Such changes impact Indian business, which was isolated for long, big time. The bottomline is restructuring has become a regular affair. Businesses may boom and burst in quick succession, as Nokia did, unless they keep changing. Challenges are more imminent to the financial services sector which rides on the primary and secondary sectors.

I reassure readers that at VFS we are doing our best to live up to the expectations of changing needs of Indian economy.

Wising you all a very Happy 2020

**Kuldeep Maity**  
MD & CEO

Changing  
lives





## Employee Meet 2019

Like every year, in 2019 also, VFS conducted Employee Meets across the operational regions to boost the company morale and create a more focussed work force. Such meetings offer the ground staff an opportunity to meet the senior management and get first-hand information on company's strategy as well as exchange their ideas and concerns. Here are glimpses from the meetings.



Employee Meet  
2019  
West Bengal



Employee Meet  
2019  
Uttarakhand



Employee Meet  
2019  
Chhattisgarh &  
Madhya Pradesh



Employee Meet  
2019  
Odisha

## Final guidelines for SFB

The Reserve Bank of India (RBI) recently issued final guidelines for 'on tap' licensing of Small Finance Banks (SFB) in the private sector. The licensing window will be open on-tap for entities with a minimum paid-up voting equity capital / net worth of Rs 200 crore. Urban Co-operative Banks (UCBs) with a minimum net worth of Rs 100 crore, are eligible to apply for licence. A small finance bank undertakes basic banking activities of accepting deposits and lending.

## VFS, IDFC First tie up

The days are gone when businesses could continue with same business model and offerings for decades. In the new order, everything is variable. Yes, we will be in the financial market and work on priority lending areas, but our product basket will change depending on opportunities.

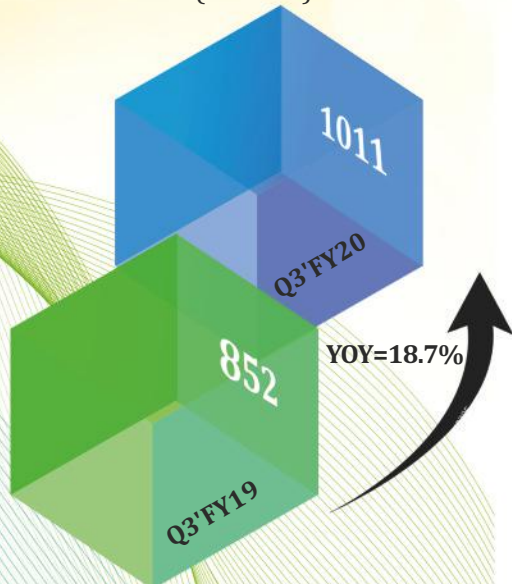
The focus will be on improving productivity and profitability through both fund and non-fund based offerings. In this direction, VFS entered a Business Correspondent venture with IDFC First Bank through an agreement dated 17th August 2019. IDFC approved a credit line on Rs 200 crore to be disbursed through 50 VFS branches in West Bengal, Odisha, Assam and Bihar. Disbursement under the programme started in October-December quarter of 2019.



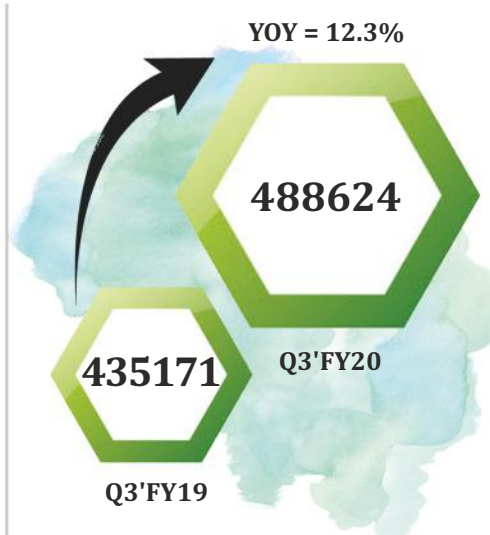


## Organisational News

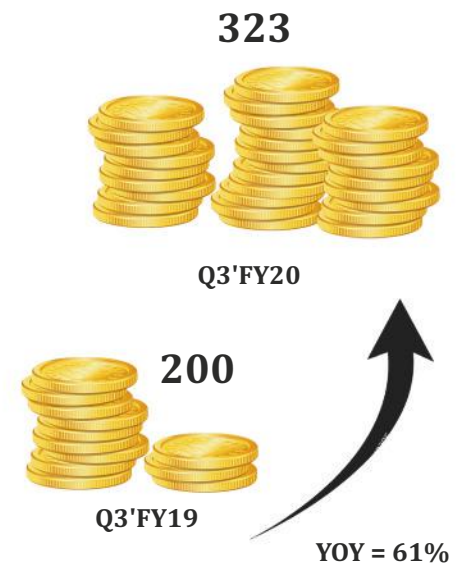
### Principal Outstanding (Rs in Cr)



### Borrowers



### Disbursement (Rs in Cr)



Village Financial Services Ltd. has won the ET-BFSI's Best financial inclusion initiative of the year by NBFC.

VFS has also won the Customer Service Excellence award.



## HR Initiatives

### MILES: Managerial Induction on Leadership & Entrepreneurship Skill

The sustainability of an organisation and its business as well as management practices depends on the ability to groom next generation leaders. All great companies take utmost care in grooming its managers. In India, Hindustan Unilever Ltd. (HUL), is particularly known for creating such an institution. The idea is to encourage the professional managers to think and act like an entrepreneur. The difference between the two often lies in their foresight and risk-taking appetite. The two factors together help the company evolve and adjust its business policies with time at ease. With this in mind, VFS launched Managerial Induction on Leadership & Entrepreneurship Skill (MILES) programme for young managers. Sessions are held from branches to the headquarters.

### CCP: Customer Connect Programme

Customer centricity is key to microcredit industry. Unlike the rest of the financial market, where customers are well aware about their investment needs and buy products based on globally accepted performance parameters; a microcredit borrower is detached from the wider view. Her transactions are mostly based on trust, meaning she has less papers to prove her worth. The job of an MFI is to make a realistic assessment of her abilities and aspirations and handhold her to success. Such assessment requires 360-degree association with customer. Customer Connect Programme (CCP) is an avenue to enhance social engagement with the borrower families. On Children's Day (November 14, 2019), VFS organised drawing competition across branches in Assam and West Bengal. The enthusiasm of participants is reflected in the photographs.





## VFS इन्होंने



▶ **Manju Kanrar (38)** of Kadamtala village, Howrah, West Bengal is into sequin work on readymade salwar suits. Loans from VFS helped her expand the business and support her son's education.

▶ **Riya Kar (26)** from Hatal village, district Howrah, West Bengal is into capstan lathe business. She is in her 3rd loan cycle of Rs 40,000. She has been our customer for four years.



▶ **Bandana Pal (32)** of Howrah, has taken Rs 80,000 for her pottery business. An old customer, she has given her two daughters a good life.



▶ **Moumita Naskar Kundu (38)** of Natunpara-Nibra Village of Howrah, West Bengal makes bangles. She is in 3rd loan cycle. The current loan of Rs 30,000 helped her expand the factory.



▶ **Sumita Malik (41)** a mother of four from Keranichak in Howrah, West Bengal is an old borrower of VFS. The latest loan of Rs 25,000, will help her expand the betel leaf cultivation.



**Rubi Jasu, 26**, used to see her husband Partha struggle to make ends meet from his business of making brushes used in painting walls. Expanding the business could have helped the family, but money was a constraint. In the absence of sufficient collaterals, loans were not available from commercial banks. That was the time when Rubi heard about VFS from her peers in their village of Ghar Baliya in Howrah district of West Bengal. She joined her husband's business and took a small loan from VFS. The following six years witnessed Ruby's rise as an entrepreneur, an active partner in the business that grew in size bringing comfort to the household. Recently, she took a top-up loan of Rs 60,000 to meet the increasing working capital needs. The family is now planning to hire two workers to meet the increasing demand.



“  
Loan from VFS  
brought me  
respect and  
recognition.  
It changed  
our lives  
”