

# Varta

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Chandrayaan 2



We salute ISRO



“Each time a woman stands up for herself, without knowing it possibly, without claiming it, she stands up for all women”

Maya Angelou

## POSITIVISM IS KEY!

Dear Reader,

As we all know this is not the best of the times for the economy. The April-June growth numbers have hit five per cent well below the estimates of RBI. The numbers are down primarily due to slow down in the auto-sector. India, as we know, has a narrow industrial base. The contribution of the manufacturing sector to GDP is only 23 per cent, as against 40 per cent. In my estimation, the slowdown in auto-sector alone dragged GDP numbers by two percentage points. This coupled with slow offtake in real estate and the generally poor health of the banking and financial services sector impacted sentiments.

However, I am optimistic that this is a passing phase. There are definite reasons behind this optimism. First, the sustained effort to bring down non-performing assets started bearing fruits. The recent clampdown on non-payment of dues to electricity generators by the State electricity distribution utilities should further strengthen the financial discipline. Together they should increase cash available to banks and the interest rates to reduce, triggering consumption growth. The series of boosters, particularly the stressed asset fund for stalled real estate projects, by the finance minister Nirmala Sitharaman is a major positive. Positivism is key to good health and I wish all of you joy and prosperity in this festive season.

**Dr. Kuldip Maity**  
MD & CEO



## Vision:

*Our vision is to meet the aspirations of every Indian, empower them, and help them become entrepreneurs.*

## Mission:

*Our mission is to be a responsible lender and a provider of all financial needs for the masses in a cost-effective and digital way.*

## Assam Flood



Floods are not new to Assam. A good part of the Brahmaputra valley gets flooded every monsoon. But the miseries of 2019 had been exceptionally high with nearly a lakh of people marooned and at least 90 dead. Nearly 2500 borrowers in 12 branches were affected in the flood. VFS stood by the worst affected by relaxing the repayment schedule.

## Bank Merger



On August 30, the India government announced merger of 10 public sector banks (PSB) into four groups taking the total number of PSBs into 12. This is the third and the largest such spate of mergers since 2017, when India had 27 PSBs. The consolidation is expected to reduce the cost of banking operations, thereby helping reduce the cost of finance.

With this India is nearing full implementation of the M Narasimhan committee recommendations, in 1991. The committee felt India should have eight to 10 national banks, of which three to four should be of international size.

Name of the Banks	Total Business	No. of Domestic Branches	No. of Employees
State Bank of India	Rs 52.05 Lakh Crore	24000	257252
Bank of Baroda (including Vijaya and Dena)	Rs 16.13 lakh crore	9500	85000
Bank of India	Rs 9.03 lakh crore	5000	48807
Central Bank of India	Rs 4.68 lakh crore	4659	37162
Indian Overseas Bank	Rs 3.75 lakh crore	3220	31846
UCO Bank	Rs 3.17 lakh crore	4000	24724
Bank of Maharashtra	Rs 2.34 lakh crore	1897	12932
Punjab and Sind Bank	Rs 1.71 lakh crore	1559	9403
PNB + OBC+ United Bank of India	Rs 17.94 lakh crore	11437	100649
Canara Bank + Syndicate Bank	Rs 15.20 lakh crore	10342	89885
Union Bank + Andhra Bank + Corporation Bank	Rs 14.59 lakh crore	9609	75384
Indian Bank + Allahabad Bank	Rs 8.08 lakh crore	6104	42814

■ Merged on August 30, 2019

## Economic Stimulus



The world is anticipating an economic slowdown. In India, the GDP growth rate is down to five percent in the April-June quarter. This is the lowest GDP growth in six years. Core sector growth is down to 2.1 percent in July from 7.3 percent same period last year. To enhance money supply in the economy and stimulate growth, finance minister Nirmala Sitharaman announced a bunch of measures on August 23. Main points:

- All pending GST refunds till now shall be paid in 30 days. Future GST refunds to be paid in 60 days.
- Banks to make home and auto loans cheaper and pass on the benefits of repo-rate cut.
- Rs 70,000 crore upfront recapitalization of public sector banks.
- Additional Rs 30,000 crore liquidity support to Housing Finance Companies by National Housing Board.
- BS-IV cars purchased till March 2020 to remain operational for the entire period of registration.
- Government departments to replace old vehicles.
- Withdrawal of angel tax provisions for start-ups and their investors.
- One-time settlement for MSME loans.

## MFI's letting money flow

At a time when the country is complaining about liquidity squeeze, the loan portfolio of MFI sector keeps growing. According to Sa-Dhan report, the industry witnessed 9 per cent quarter-on-quarter growth in gross loan portfolio (GLP) to Rs 98,107 crore, during April-June 2019-20. Expectation is rife that the total loan will cross the Rs 1,00,000 crore mark in July-September quarter.



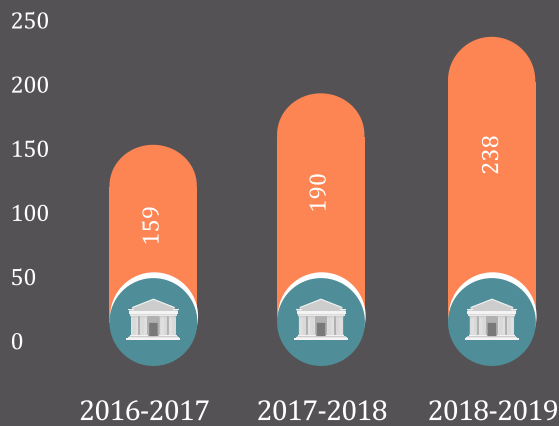
## Round-the-clock NEFT

To increase popularity of electronic payment system, Reserve Bank of India decided to make NEFT available on a 24x7 basis from December 2019.



## Organisational News

### Expanding branches network



### Borrowers

4,73,045



Q2FY 2019-20

### Districts



75 Districts

Q2FY 2019-20

### Principal Outstanding

1026 Crores



Q2FY 2019-20



## Vikas

As a part of its sustained effort to meet the customer demands, VFS launched a new product, Vikas, for existing borrowers with successful repayment history. An intermediate product to one-year Briddhi and two-year Sribriddhi loans, Vikas is of one-and-a-half years tenure, which will offer sufficient safety cushion to the customer. Launched in September, the loan will be available from all VFS branches spreading over 11 States. Disbursement under Vikas is expected to touch Rs 50 crore in the December quarter.

#### Product Features:

**Product:** Rs.24,000 - Rs.40,000

**Type:** Group Loan

**Tenure:** 18 months



## Behavioural Competence Study

Organisations excel as a team and behavioural competence is an important parameter in the team performance matrix. For a micro-finance company, where loans are offered using joint-liability methodology, team performance is equally important for customers.

Keen to use modern HR techniques in improving its performance, VFS has rolled out a pilot in select branches in West Bengal to assess competitiveness and competence of employees as well as customers. The pilot will throw up yardsticks to help VFS assess the credit worthiness of customers, either individually or in a group.

## VFS इन्होंने



**Anima Das** (35), Kanchrapara, North 24-Parganas, West Bengal, is expanding her jute handicrafts business with a 4th cycle of loan from VFS.

A feminine aspect of nature, Shakti is the universal creative force. VFS worships Shakti in many names and forms. Anima, Manjula, Minati, Pratima, Chhabi- each of them is not merely standing up for themselves, they are changing the world around us.



**Manjula Devi** (45) from Saharsa, Bihar entered the dairy business, last year, with Rs 30,000 loan.



**Minati Swain** (38), a village tailor from Anandapur, Keonjhar, Odisha, took first loan of Rs 30,000 for working capital needs.



**Pratima Ghosh** (48), Sankharidaha, Domjur, Howrah, West Bengal, is an idol maker. Over the last seven years, she took successive loans and expanded business manifold.



Mother of three, **Chhabi Pandit**, is now an established pottery maker from Domjur, Howrah, West Bengal with three cycles of finance from VFS.



Till some five years ago, **Alpana Ghosh**, from Chowrangee More at Shyamnagar in North 24-Parganas district of West Bengal, was a homemaker with two sons and her husband was running a cycle shop. Hers was not a poor family, but not well-to-do either. Most important of all, having spent her youth in running household chores, Alpana was getting restless to do something more exiting.

Five years ago, she decided to put up a readymade-garments shop at the family house. Space was not a problem but she didn't have the money to stock-up adequately that is so essential in this business to attract customers' interest. She was not eligible to get a bank loan either. The opportunity came through VFS.

Over the last five years, Alpana repeatedly took small loans for working capital. Each successful repayment enhanced confidence to aim higher. The moment of reckoning came in May this year, when VFS offered her Rs 80,000 SME loan to break the glass ceiling and make the business bigger.

Alpana is now a proud and busy owner of "Alpana Garments". She has not only made it big for herself and the family but also her two workers.