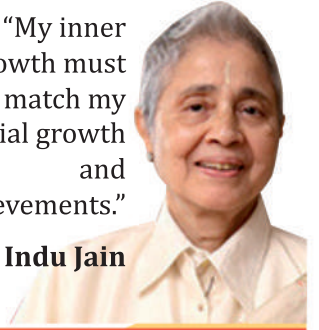


Varta

VOLUME I | FY 19-20 | village.net.in

“My inner growth must match my material growth and achievements.”

Indu Jain



Environment a serious concern!

Dear Reader,

The election season is over. The government is back to the business. There are a whole lot of issues to be resolved pertaining to the domestic as well as the global economy. I am sure, under the able leadership of Prime Minister Narendra Modi, India will find answers to most of its problems.

However, there are some issues which need common attention. India, as you all are aware, is facing a severe water crisis this year. The unrestrained harnessing of groundwater resources led us to a situation where 21 cities may have to import drinking water beginning next year.

VFS attaches utmost priority to protecting the environment. We have always encouraged borrowers to plant trees, protect water bodies etc. Beginning this year, we have stepped up our plantation drive to improve the green cover.

We are also concerned about another major social issue – old age. Our social wing, Village Welfare Society in collaboration with Lions Club and Thandulal Manorama Foundation opened a 60-bed home, Anandam, for women from the economically weaker section.

I believe, our combined efforts will make India one of the greatest nations in the world.

Dr. Kuldip Maity
MD & CEO

VFS
will distribute
saplings
to its borrowers, this
monsoon, to promote
green.



Anandam

Village Welfare Society, the social wing of VFS, has set up an old-age home, ‘Anandam’, for women from weak financial background, at Pancharul in West Bengal’s Howrah district. The 60-bed facility is a dream project of our Chairman Ajit Kumar Maity and is set up in association with the Lions Club and Thandulal Manorama Foundation. The residents will enjoy all amenities including fooding, clothing, medical facilities, free of cost.



Industry News

Instant Bank account for submission of Aadhar

You will soon be able to open a bank account instantly, if willing to use the Aadhaar - based eKYC (electronic know your customer). The Reserve Bank of India (RBI) on May 29 amended rules to enable the use of Aadhaar subject to consent of the customer.

The change in RBI guidelines is in line with the changes made by the government to the Prevention of Money-laundering Rules (PMLA) and the Aadhaar and Other Laws (Amendment) Ordinance, 2019.



RBI relaxed norms for NBFC loan securitisation till 31 December to help sector overcome liquidity shortage

The RBI extended the minimum holding period (MHP) requirement for NBFCs, to raise funds via loan securitization, to help the sector overcome the liquidity shortage. NBFCs have been permitted to securitise loans of over five-year maturity after holding them for six months on their books.

No charges on NEFT, RTGS payment

To encourage digital transactions, RBI removed charges on payments via NEFT and RTGS. This was announced in the Statement on Developmental and Regulatory Policies, which was released by the central bank as part of its monetary policy review in June.

MFIN Updates

- As of 31 March 2019, 3.17 Cr clients have loan outstanding from NBFC-MFIs, which is an increase of 32% over Q4 FY 17-18.
- Loan amount of Rs 82,928 Cr was disbursed in FY 18-19 through 3.25 Cr accounts.
- Average loan amount disbursed per account during FY 18-19 was Rs 25,543 which is an increase of around 13% in comparison to loans disbursed during FY 17-18.

- During FY 18-19, NBFC-MFIs received a total of Rs 35,759 Cr in debt funding, which is an increase of 63% from FY 17-18. Total equity grew by 42% during the same period and is at Rs. 14,206 Cr.
- MFIs now have presence in 33 states/union territories.
- In terms of regional distribution of portfolio (GLP), East and North East accounts for 38% of the total NBFC MFI portfolio, South 24%, North 14%, West 15% & Central contributes 9%.

*Source: MFIN



Budget Highlights

Greater regulation for NBFCs

In her maiden Budget proposal on July 5, Finance Minister Nirmala Sitharaman proposed greater regulation and improved ease of doing business for the NBFC sector. Excerpts:

- NBFCs are playing an extremely important role in sustaining consumption demand as well as capital formation in small and medium industrial segment.

NBFCs that are fundamentally sound should continue to get funding from banks and mutual funds without being unduly risk averse.

- For purchase of high-rated pooled assets of financially sound NBFCs, amounting to a total of Rupees one lakh crore during the current financial year, Government will provide one time six months' partial credit guarantee to Public Sector Banks for first loss of up to 10%.

- Reserve Bank of India (RBI) is the regulator for NBFCs. However, RBI has limited regulatory authority over NBFCs. Appropriate proposals for strengthening

the regulatory authority of RBI over NBFCs are being placed in the Finance Bill.

- With the enhanced levels of regulation, there is a need to provide greater parity in their (NBFC's) tax treatment vis-à-vis scheduled banks. Currently, interest on certain bad or doubtful debts made by scheduled banks and other financial institutions is allowed to be offered to tax in the year in which this interest is actually received. I propose to extend this facility to deposit taking as well as systemically important non-deposit taking NBFCs also.

VFS at a Glance

Training is a part of life at VFS

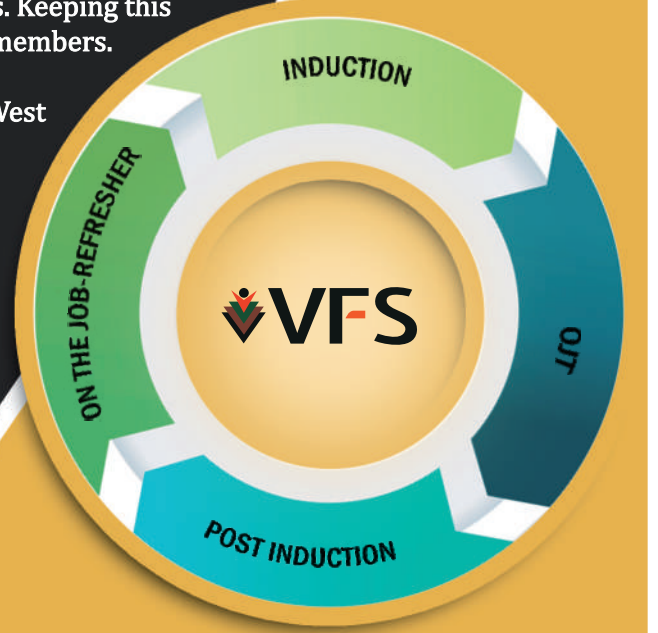
Change is the only constant in today's world order. Remaining updated is the only way to keep pace with the rapid change in business and financial environment around us. Keeping this in mind, VFS lays maximum emphasis on training and retraining of its staff members.

The company has four dedicated training centres in Kolkata and Siliguri in West Bengal; Agartala in Tripura and Raipur in Chhattisgarh.

Every new employee undergoes three-phase training spanning over 45 days during the probation. The performance evaluation includes both classroom performance and on-job training in a branch.

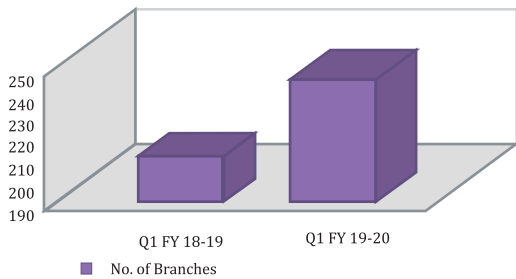
Once a VFS employee, means he/she has to go for refresher training twice a year. Over and above, it is mandatory for the field staff to attend grooming sessions once in two months, so as to ensure that his presentation to the customers is of desired standard.

VFS doesn't talk merely on business. As a policy, we encourage employees to pursue greater heights, learn new skills and earn better educational degrees.

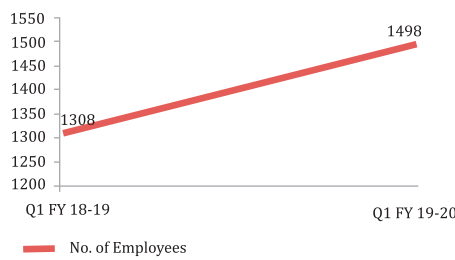


Comparison Graph (Q1 18-19 & 19-20)

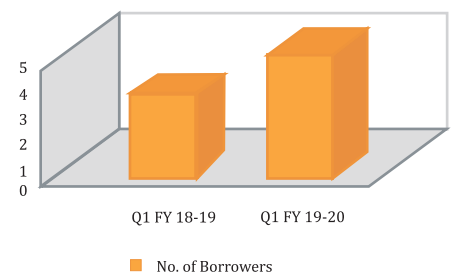
No. of Branches



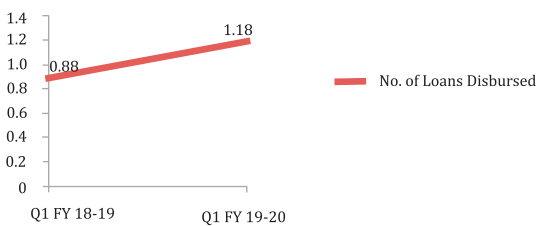
No. of Employees



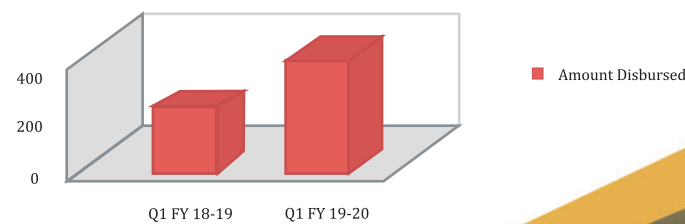
No. of Borrowers (Lacs)



No. of Loans Disbursed (Lacs)



Amount Disbursed (Crore)



Business over the Years

Nine times growth in business in exactly five years. Yes, we are growing at a robust pace and the table below depicts the journey. But that's just the beginning.

	2014-15	2015-16	2016-17	2017-18	2018-19
No of Loans	117,745	194,665	254,370	375,548	454,613
Amount Disbursed	155.13	321.27	590.04	938.87	1,395.33

VFS इहकरोतो



From an illiterate mother of three, **Gulshan Bibi** of Nalkuri in East Midnapore district of West Bengal is today a mosquito-net seller, courtesy VFS. To expand the business she has taken a third loan of Rs 40,000 last year.



Shobha Rani Sarkar of Padmapur, in North Tripura district of Tripura wanted to use her skills in idol making, into a livelihood option. She took a loan of Rs 25,000 from VFS last year. Now the entire family has got into the business.



Shamima Begum (45) from Basia Jurail at Bahadurgunj in Kishan-gunj district of Bihar is into turmeric cultivation and processing. She is now into second cycle of loan of Rs 45,000 from VFS.



Ranu Routh (36) of Laxmipur Math in Burdwan district makes laddus. An old customer of VFS, she is now in her fourth cycle of loan of Rs 50,000.



Mamata's Kitchen

Time is money to 35-year old **Mamata Malik**.

A known face in Salap market in Howrah, some 10 km from Kolkata, Mamata runs two businesses and yet finds time to manage a family of four.

Her mornings are reserved for selling fish. After a brief break in the afternoons, she is back again in the market, with her bouquet of fast food.

She approached VFS for a Rs 20,000 loan three years ago and won our hearts by her commitment.

After completing three cycles of loans, VFS decided to stand by her aspirations to expand the business to a sizable scale. She was offered an SME loan of Rs 1,00,000. The loan has been particularly useful in scaling up the capital-intensive fish business.

Mamata is now a happy mother and a successful entrepreneur.

Disclaimer:

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