



OPTIMiSM

October-December 2018



SIDBI National Microfinance Congress 2018

MASS MARKET BANKING - NAVIGATING THE CHANGE

October 26-27, 2018, Hotel Taj Palace, New Delhi

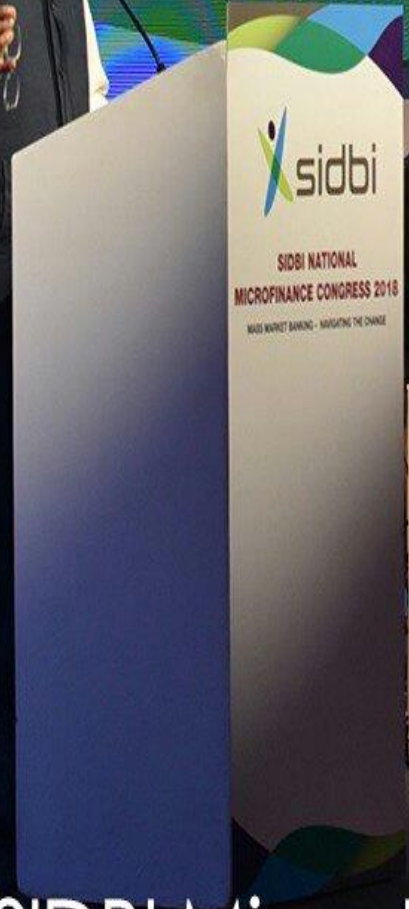
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SIDBI Micro Finance Congress Event

The Editors' Desk

Greetings from the OPTIMiSM Team! We are happy to present the October-December 2018 issue before you.

We are pleased to announce that SIDBI has bagged Gold Award in “Bank of the year-Asia 2018” category in the recently concluded awards event organized by Global SME Finance Forum at Madrid on November 6th, 2018. The award recognizes outstanding achievements of financial institutions and fintech companies in delivering exceptional products and services to their SME clients.

To analyze and bring to the fore the emerging challenges in Microfinance sector, SIDBI organized SIDBI National Microfinance Congress 2018. The event was a great success with over 300 delegates from across the globe sharing their views on challenges faced by MFI sector, brainstorming on the possible solutions and the required policy intervention. It was heartening to note that experts & participants participated wholeheartedly to make the event an inclusive endeavor.

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<p>Smt. Y. M. Kumari, General Manager, SIDBI, ERDAV - Mumbai</p>	<p>10-13 MSMEs in News</p> <p>14-17 एमएसएमई के विकास में लघु वित्त बैंकों की भूमिका - I</p>
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Eco Dashboard

Macro-indicators - Annual

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
GDP Growth -constant price (2011-12)	5.5	6.4	7.4	8.2	7.1	6.7	7.2#
Index of Industrial Production (IIP)	3.3	3.4	4.0	3.4	4.6	4.3	4.6*
IIP - Manufacturing		3.6	3.8	2.8	4.4	4.6	4.7*
Forex Reserves- RBI (USD Billion)	292	304	341	360	370	424	400^
Merchandise Export (in billion USD)	300.4	314.41	310.34	262.3	275.85	302.84	245.44@
Merchandise import (in billion USD)	490.74	450.2	448.03	381.01	384.36	459.67	386.65@
Current Account Deficit (CAD)	4.8	1.7	1.3	1.1	0.6	1.9	2.9>
Consumer Price Index (CPI)	10	9.4	5.8	4.9	4.5	3.6	

#- First AE 2019, *-Apr-Dec 2018, ^-Feb 01, 2018, @- Apr-Dec 2018, > Q2:2019

Sub-par figures are marked in red

Macro-indicators - Monthly

	July	August	September	October	November	December	January
Merchandise Export (in billion USD)	25.77	27.84	27.95	26.98	26.50	27.93	
Merchandise import (in billion USD)	43.79	45.24	41.93	44.11	43.17	41.01	
CPI	4.17	3.69	3.77	3.38	2.33	2.19	
IIP	6.5	4.3	4.5	8.1	0.5	2.4	
IIP-Manufacturing	7	5.1	4.6	7.9	-0.4	2.7	
USD rates	68.69	69.54	72.21	73.6	71.96	70.73	70.73

Credit - Dashboard

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Non-food Credit O/s SCB (in Lakh crore)	48.69	55.29	60.02	65.46	70.94	76.88	81.64@
Credit to Industry O/s -SCB (in Lakh crore)	22.3	25.16	26.57	27.3	26.8	26.99	27.49@
Credit to Services O/s -SCB (in Lakh crore)	11.52	13.37	14.13	15.41	18.02	20.5	22.33@
Weighted Average Lending Rate- SCB (outstanding loan)	12.19%	12.11%	11.76%	11.20%	10.80%	10.35%	10.12%#
MSME Weighted Average Lending Rate- SCB (outstanding loan)	NA	NA	NA	12.25%	11.88%	11.41%	11.30%#

@-Dec 2018, #- Jun 2018

Source- RBI, Ministry of Statistics and Programme implementation, Office of Economic Advisor, Dept of Economic Affairs

Credit Growth recovery sustains- *MSME PULSE*

MSME Pulse, India's first comprehensive report on MSME sector, December 2018 edition revealed that the commercial credit growth continued clocking 13.5% growth YoY in the Sept 2018 quarter. MSME credit, including credit to MSMEs and to individuals, stood at ₹24.7 lakh crore, contributing approx. 23% of the total credit exposure.

As per the report, studies show that, the Return on Asset in respect of lending to MSME segment is estimated at 2-5%, which is a healthy indicator. The study for the period September 2016 – June 2018 shows that the rate of new NPA of the MSME segment has been between 1-1.5% per quarter and recovery rates have been between 0.4-0.8%, which shows the MSME credit in positive light.

The share of NBFCs in new credit sanctions to the MSME segment has increased from 13% (September 2015) to 17% (September 2018). Accordingly, the number of NBFCs having over ₹100 crore MSME portfolio has increased in the same period from 51 to 77, while total number of such financial institutions stands at 128. Also, the default rates of NBFCs are higher than Private Banks but lower than Public Sector Banks at 0.4-1.6% by October – December 2014 and 1.5-3.0% by October – December 2015.

MSE sentiment ticks up: *CriSidEx*

MSEs sentiments improved in October - December quarter 2018. CriSidEx score at 128 was higher than 124 of previous quarter and significantly higher than 107 for the corresponding quarter a year ago. The change was driven by an increase in order book size and employee base for manufacturing MSEs and an increase in Profit After Tax margin and employee base for service sector MSEs.

The respondents expected the feel good factor to hold in the next quarter as well. For January-March 2019, both manufacturing and services companies were optimistic of a good business performance. Over 50% of the respondents each from manufacturing and services expected the positive momentum to continue in the January – March 2019 quarter. In the manufacturing space, pharmaceuticals, gems & jewellery & chemicals and in services, professional services, traders, logistics and power & power utilities were the most optimistic.

From the lenders perspective, 3 out of 10 lenders surveyed, saw an improvement in the overall business situation of MSEs and 5 out of 10 rated it as satisfactory. These lenders expected the business situation to remain unchanged in January-March 2019 – with 3 out of 10 having a positive outlook on MSEs.

SIDBI National Microfinance Congress 2018

The landscape of the Microfinance sector is changing amid events like demonetization, with many MFIs converting into SFBs/ Banks and a few being taken over by the banks. While opening new vistas, this has also created new set of challenges for the pure play Microfinance Institutions. Over the years, while geographical spread of Microfinance has diversified to cover most of the states, expanding the outreach to some of the more difficult districts/ areas has continued to remain a challenge. Further, there seems to be a lack of adequate institutional mechanism for graduating the multiple cycle microfinance clients, including the SHG clients, to the next level of funding viz microenterprise segment.

Against this backdrop, SIDBI organized its first 2-day National Microfinance Congress 2018 during October 26-27, 2018 at Hotel Taj Palace, New Delhi, with an objective to deliberate and bring to fore the emerging challenges and opportunities in mass market banking, while making pragmatic recommendations towards addressing these challenges. Over 300 delegates from the Reserve Bank of India, leading commercial banks, Small Finance Banks, Microfinance institutions, NBFCs, academicians, credit bureaus, rating agencies, fin-techs, etc., from all across the country and international micro finance experts participated in the congress, helping shed light on the ground realities of the sector.

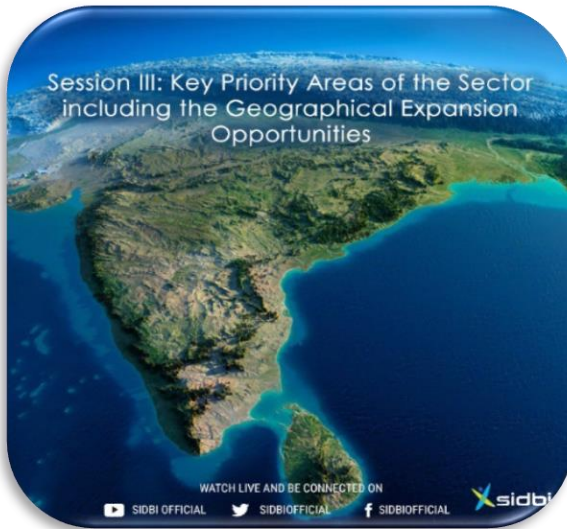
The two-day event was divided in four sessions with different agenda points-



Post demonetization- shift in Micro Finance business model, challenges thereof and MFI players response to the changes.



Unique value proposition of standalone MFIs and how fintech helps in adapting the MFIs to rapidly changing financial service ecosystem.



100 districts with no or negligible presence of MFIs. Session for geographical opportunities & priority areas.



Regulatory & Govt level interventions required for moving from Microfinance to Microenterprise lending.

Key takeaways: -

The congress had some key overarching takeaways for mass market banking players, policy makers and regulators. These include:

- The mass market banking industry has created meaningful impact. However, significant untapped opportunities still exist for “micro banking” across credit, savings/investments, protection and payments products.
- An effort needs to be made to onboard “informal” to “formal” sources and to introduce requisite “ladder” propositions to meet customers’ needs effectively, e.g., daily loans, weekly loans to help clients upgrade themselves, etc.
- A space and role for all types of entities—banks, NBFCs, SFBs, MFIs, etc.—to participate in the mass market banking space exists. It is important for entities to collaborate to offer a “supermarket” to customers.
- Shifts in regulations, technology and data ecosystems are facilitating new mechanisms for customer access, operating models and seamless onboarding and underwriting

Over the course of multiple technical sessions and panel discussions, emerging concerns and issues were debated, helping brainstorm on possible solutions that could enable the sector collectively to address these concerns and chart a sustainable path forward in India.

**NEXT MICROFINANCE CONGRESS
DATES- OCTOBER 4TH AND 5TH 2019**

31st Asian Credit Supplementation Institution Confederation (ACSIC) Conference

The Asian Credit Supplementation Institutions Confederation (ACSIC) is an association of Credit Guarantee Institutions for Micro Small and Medium Enterprises (MSMEs) in Asia which was setup in 1987 with the objective of promoting sound development of the credit supplementation system in countries including regions of Asia through exchange of information, discussions amongst credit supplementation institutions. There are 16 institutions in 11 countries which are members of the ACSIC. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been a member of the ACSIC from the year 2006 and the membership has been a great learning experience for the Trust.



ACSIC holds its annual conference for Heads / Senior Executives of Guarantee Organizations, hosted by the member countries, to promote regional co-operation and exchange of views. These conferences are held at different locations on rotation basis. The ACSIC Conference provides a good platform for guarantee organizations to interact with each other closely and share best practices prevalent in each country. These conferences have been able to bring a greater degree of cooperation among existing guarantee organizations which have benefited by the experience provided by the organizations like Japan Finance Corporation, Korea Credit Guarantee Fund, Credit Guarantee Corporation of Malaysia Berhad etc.

The 31st ACSIC Conference was hosted by CGTMSE, India during November 24-25, 2018 at Udaipur and 100 officials from 16 institutions participated in the conference. The theme for the 31st ACSIC Conference, was '**Credit Guarantee: A Vehicle for Inclusive Growth**' and participants, based on the theme, exchanged their views by giving presentations.



MSME in News

Support & Outreach initiative for MSME

The Prime Minister launched 'Support and Outreach Programme for the MSME sector under which 12 key initiatives were unveiled to help the growth, expansion and facilitation of MSMEs across the country.

The Prime Minister pointed out that there are five key aspects for facilitating the MSME sector. These include access to credit, access to market, technology upgradation, ease of doing business, and a sense of security for employees. The Prime Minister announced 12 policy initiatives to address each of these above five categories in one way or the other.



Access to Credit:

- Launch of the psbloanin59minutes.com loan portal to enable easy access to credit up to ₹1 crore
- 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans. For exporters who need to avail loans in the pre-shipment and post-shipment period, the Prime Minister announced an increase in interest rebate from 3% to 5%.
- Compulsory registration of all companies with a turnover more than ₹500 crore on the Trade Receivables e-Discounting System (TReDS) so that spirit of the concept i.e. enabling resolution of problems of cash cycle, takes shape.



Access to Markets:

- Public Sector companies to compulsorily procure 25% (earlier 20 %) of their total purchases, from MSMEs.
- Of the 25% procurement earmarked from MSMEs, 3% to be reserved for women entrepreneurs.
- More than 1.5 lakh suppliers have now registered with GeM, out of which 40,000 are MSMEs. Transactions worth more than ₹14,000 crore have been made so far through GeM. To further this, it was announced that Public Sector Undertakings of the Union Government must now compulsorily be a part of GeM and also get all their vendors registered on GeM.

Technology Upgradation:

- Tool rooms across the country are a vital part of product design. Therefore, it was announced that 20 hubs will be formed across the country and 100 spokes in the form of tool rooms will be established.

Ease of Doing Business:

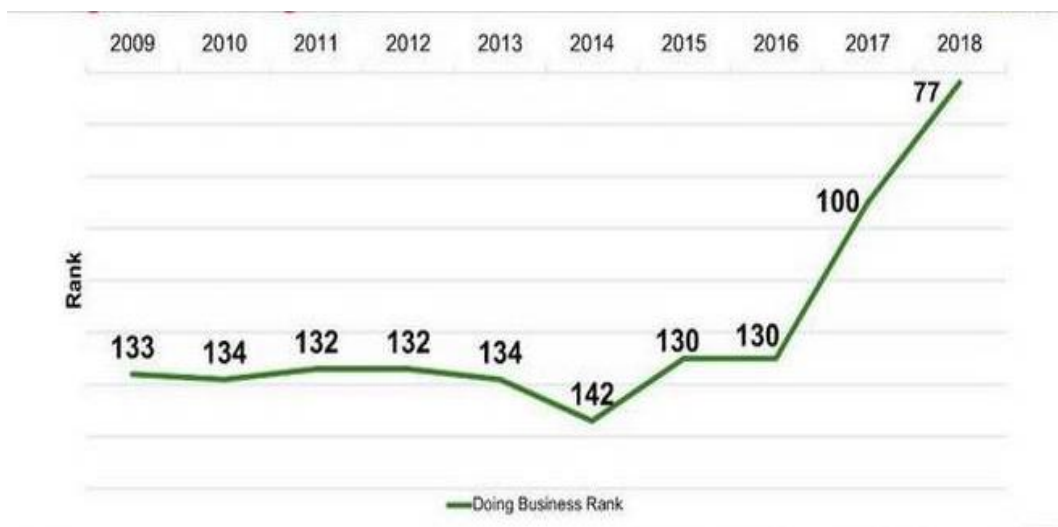
- Clusters will be formed for pharma MSMEs. 70% of cost of establishing these clusters will be borne by the Union Government.
- For simplifying the government procedures, it was announced that, Returns under 8 labour laws and 10 Union regulations must now be filed only once a year.
- Establishments to be visited by an Inspector will be decided through a computerised random allotment.
- As part of establishing a unit, an entrepreneur needs two major clearances namely, environmental clearance and consent to establish. To simplify the process, it was announced that both air pollution and water pollution laws have been merged as a single consent. It was further stated that the return will be accepted through self-certification.
- An Ordinance has been brought, under which, for minor violations under the Companies Act, the entrepreneur will no longer have to approach the Courts, but can self-correct them through simple procedures.

Social Security for MSME Sector Employees:

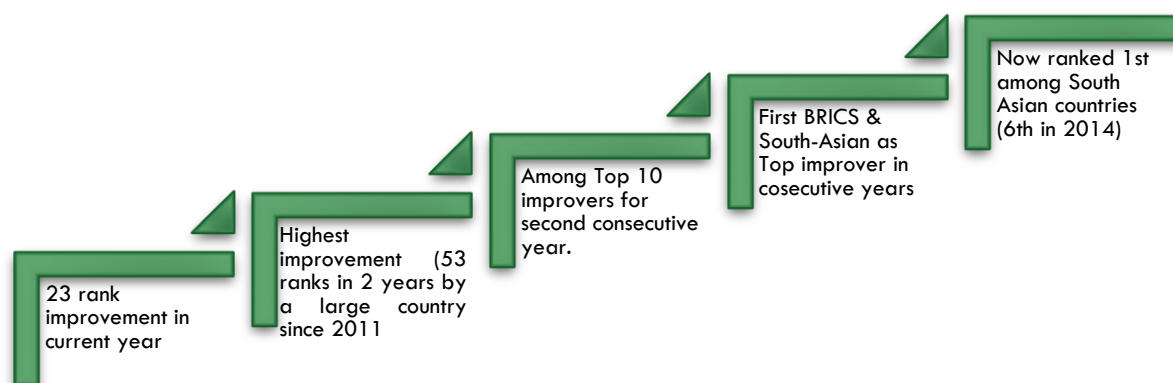
- A mission will be launched to ensure that they have Jan Dhan Accounts, provident fund and insurance.

The implementation of above entire outreach programme will be intensively monitored over the next 100 days.

Ease of Doing Business- India jumps 23 notches, now at rank 77



Major Highlights of report-



India's rank in the World Bank's Ease of Doing Business 2019 survey climbed 23 places to 77 among 190 countries surveyed, making it the only country to rank among the top 10 improvers for the second consecutive year. Last year, India saw a record jump of 30 places to reach the 100th position in the rankings. The reforms in India included streamlining the process of obtaining a building permit and improved building quality controls, the report highlighted. Starting a business was made easier through consolidation of multiple application forms and introduction of GST, while getting electricity was made faster and cheaper. Other reforms in India included strengthening access to credit as well as making it easier and faster to pay taxes and trade across borders.

RBI sets up panel to suggest measures for MSMEs

The Reserve Bank set up an expert committee under former SEBI chairman U K Sinha to suggest long-term solutions for the economic and financial sustainability of the MSME sector by studying to understand the structural bottlenecks and factors affecting the performance of the MSMEs. The panel has been asked to review the current institutional framework in place to support the MSME sector and study the impact of the recent economic reforms on the sector and "identify the structural problems affecting its growth". The eight-member committee will also examine the factors affecting the timely and adequate availability of finance to the sector.

The panel shall study the global best practices with respect to MSMEs and recommend its adoption in India, wherever appropriate, and review the existing MSME focused policies and its impact on the sector. In addition, the panel has also been asked to propose measures for leveraging technology in accelerating growth of the sector.

RBI Provides 1-Year Loan Rejig Window for MSMEs

Yielding to a key demand of govt, central bank allows reclassification of stressed assets with loans of up to ₹25 cr

Our Bureau

Mumbai: The Reserve Bank of India (RBI) has opened a loan-restructuring window for micro, small and medium enterprises (MSMEs) for a year, yielding to a key demand of the government that had sought such a facility, which former governor Urjit Patel was reportedly not keen on. RBI on Tuesday allowed a one-time restructuring of existing loans to MSMEs that are in default but 'standard' as on January 1, 2019, without an asset-classification downgrade. The restructuring has to be implemented by March 1, 2020. RBI has allowed the scheme for restructuring of stressed assets with credit facilities not exceeding ₹25 crore as on January 1. The issue of restructuring of MSME accounts was discussed in the meeting of the central board of RBI on November 9, 2018. Financial services secretary Rajiv Kumar had made a three-hour-long

New Year, New Beginning

MSMEs were impacted by DeMo and recent credit squeeze in system

RBI had given forbearance of 180 days for asset classification that was available till Dec 31, 2018; From Jan 1, 90-day norm was to be applicable

To be eligible for relief, an MSME's total exposure to banks and NBFCs should not exceed ₹25 cr

Relief available to MSMEs registered under GST



Earlier, RBI had exempted MSMEs from IBC rules allowing promoters to bid for insolvent cos

have raised concern that funding of MSMEs would take a hit if the issue of liquidity is not addressed. Under the scheme, a provision of 5% in addition to the provisions already held will be made in respect of accounts restructured. RBI asked banks and non-bank

lenders were looking for relief in restructuring stressed assets of mid-size and small SMEs to help them tide over ; period of tight liquidity. The MSME sector contributes to nearly a third of the gross domestic product and employs 11 million people, accounting for about 45% of manufacturing output.

Banks Clear MSME Loans Worth ₹30,000 Cr via 59-Minute Portal

₹30,000 crore in 59 minutes - banks clear loans up to ₹1 crore from Sidbi and public sector banks

Dheeraj Tiwari @timesgroup.com

New Delhi: The portal enables in-principle approval for loans up to ₹1 crore within 59 minutes from SIDBI and 5 PSBs. The government is hopeful that the number of loans sanctioned will see a further jump as banks transmit the 25 bps rate cut announced by the Reserve Bank of India (RBI) on Tuesday.

Credit Boost

- 24,000 new borrowers took loans worth ₹6,400 crore through the portal, a govt official said
- 68,000 repeat borrowers sanctioned loans around ₹23,439 crore

Govt hopeful that credit off take will see further jump as banks transmit RBI's 25 bps rate cut announced earlier this month

psbloansin59minutes portal enables in-principle approval for loans up to ₹1 crore within 59 minutes from SIDBI and 5 PSBs



Borrowers have to submit

who took loans through this portal of around ₹6,400 crore

ference in the sanctioning process," a finance ministry official said. "Also, since the loan documents

disbursement process based on the documentation provided by borrowers. "We are looking to make this a fully automated process in case of firms where documentation is complete," he said, adding that so far banks have not reported any delinquencies in such loans. At present, after a borrower gets an in-principle approval through the portal, the loan is disbursed within a week. The above quoted finance ministry official said the recent restructuring of MSME loans announced by RBI will further boost the industry.

Earlier, financial services secretary Rajiv Kumar had said that restructuring package for MSMEs will help recast ₹1 lakh crore of loans for 7 lakh eligible small businesses, financial services secretary Rajiv Kumar had said

12 historic decisions by PM Modi for the MSME Sector

- Loan in 59 minutes.
- Tech support to MSMEs via 20 hubs and 100 Spokes.
- Pharma Clusters where 70% cost borne by Centre.
- Ending Inspector Raj and ensuring transparency.

- Interest benefits for GST registered MSMEs.
- Mandatory 25% procurement from MSMEs by CPSEs.
- All CPSEs to join Government e-Marketplace (GeM).
- Ordinance for simplifying levy of penalties for minor offences.

- CPSEs and Corporates more than Rs. 500 crore to join Trade Receivables e-Discounting System or the TReDS Platform.
- Now, returns due to 8 Labour Laws and 10 rules to be filed only once instead of the earlier twice.
- Of the 25% mandatory procurement, 3% to be done only from women-led MSMEs.
- Easier process for Environmental Clearances and 'Consent to Establish.'

Concern over credit to small units a 'myth': SBI report

ENSE ECONOMIC BUREAU MUMBAI, DECEMBER 4

CONCERN OVER credit supply to small businesses is a "myth" as the sector has had a "stupendous" loan growth since the implementation of GST, a research report from State Bank of India has said. Debunking the argument from some quarters that small units were not getting bank credit, the SBI report said post the July 2017 implementation of GST, incremental credit to micro and small enterprises (MSEs) under priority sector lending has increased by five times to Rs 1.23 lakh crore compared to Rs 25,700 crore during the corresponding period pre-GST.

The credit growth to MSEs is quite stupendous post-GST, the report by SBI Ecowrap said. GST, which subsumed most of the indirect taxes, was rolled out in July 2017. On November 19, the RBI had agreed to work out a loan restructuring scheme for SMEs for a loan exposure of up to Rs 25 crore in line with the advice of the board. The RBI board should consider a scheme to restructure stressed standard assets of MSME borrowers with aggregate credit facilities of up to Rs 25 crore, subject to such conditions as are necessary for ensuring financial stability.

The Indian EXPRES! newspaper edit!

एमएसएमई के विकास में लघु वित्त बैंकों की भूमिका - I

- प्रवीण भारद्वाज

प्रबंधक(हिंदी)

लघु वित्त बैंकों के गठन का उद्देश्य

भारतीय रिजर्व बैंक ने लघु वित्त बैंकों की लाइसेंस प्राप्त करने के लिए 27 नवम्बर, 2014 को दिशानिर्देश जारी किए। लघु वित्त बैंकों के गठन का मुख्य उद्देश्य 1) असेवित एवं अल्पसेवित क्षेत्रों के लोगों के लिए बचत आधार प्रदान करने तथा 2) लघु कारोबार इकाइयों, लघु एवं सीमांत किसानों, सूक्ष्म एवं लघु उद्योगों, अन्य असंगठित क्षेत्र की इकाइयों को उच्च प्रौद्योगिकी एवं निम्न लागत परिचालनों के माध्यम से ऋण की आपूर्ति द्वारा वित्तीय समावेशन को बढ़ावा देना था।

इसके अंतर्गत, देश की आम जनता से बचत खाता, सावधि खाता एवं एनआरआई लोगों से एनआरआई खाता आदि के माध्यम से जमा प्राप्त करना है। जमा के इन तरीकों को आधार बनाकर लघु वित्त बैंकों को अपनी संरचना के हिसाब से इन जमाओं को उपर्युक्त उल्लिखित क्षेत्रों की इकाइयों को अधिकतम रूप 25 लाख की सीमा के भीतर ऋण प्रदान करना अभीष्ट है।

ऐसा करते हुए सरकार और भारतीय रिजर्व बैंक ने माना कि भारत के असेवित और अल्पसेवित क्षेत्र के दायरे में बैंकिंग सेवा को पहुंचा पाने में पूरी तरह से सक्षम न होने की वजह से इस प्रकार के बैंकों या पेमेन्ट बैंकों की सेवा लेनी पड़ रही है। यह उचित भी है। इसलिए भी अल्प वित्त बैंकों को भारतीय रिजर्व बैंक एक्ट 1934 की धारा 42(6) के अंतर्गत उनकी आरंभ की तिथि से बैंक मानते हुए यह स्पष्ट किया गया कि दस वर्षों से अधिक के अनुभव वाले इन बैंकों को वर्ष 2011 की ताजातरीन जनगणना के अनुसार 10 हजार से कम (9999 तक) की आबादी वाले क्षेत्रों यथा -गाँवों या अर्धशहरी इलाकों में अपनी 25 प्रतिशत शाखाएँ खोलनी आवश्यक होगी। इसके अतिरिक्त, इन लघु वित्त बैंकों के देश भर में शाखाएँ खोलने की छूट होगी।

लघु वित्त बैंकों की गठन प्रक्रिया

भारतीय रिजर्व बैंक ने 17 जुलाई, 2014 को देश भर में खोले जाने वाले लघु वित्त बैंकों के लिए विशेषज्ञों, इच्छुक भागीदारों तथा कंपनियों से टिप्पणी देने के लिए दिशानिर्देश का प्ररूप जारी किया। इस पर आई टिप्पणियों को समाहित करते हुए 27 नवम्बर, 2014 को दिशानिर्देश जारी किए गए और 16 जनवरी, 2015 तक इच्छुक पक्षों से आवेदन आमंत्रित किए गए।

फरवरी, 2015 मे भारतीय रिजर्व बैंक ने उन सभी 72 पक्षों के नाम जारी किए जिनके आवेदन आए थे। श्रीमती उषा थोराट, भारतीय रिजर्व बैंक के सेवानिवृत्त उप गवर्नर की अध्यक्षता में उन सभी आवेदनों पर विचार करने के लिए एक समिति का गठन किया गया। उषा थोराट समिति की सिफारिशों को मानते हुए 17 सितंबर, 2015 को भारतीय रिजर्व बैंक ने 10 पक्षों को लघु वित्त बैंक के रूप में लाइसेंस प्रदान किया और कहा कि एक वर्ष के भीतर सभी लघु वित्त बैंक परिचालन में आ जाएंगे। हालांकि विभिन्न कारणों से सभी लघु वित्त बैंक एक वर्ष के भीतर परिचालन में नहीं आ पाए, लेकिन आज की तारीख में सभी लघु वित्त बैंक परिचालन में हैं। यह बहुत ही अहलादकारी है कि सभी बैंक अपने गठन से ही अच्छा कार्य कर रही हैं। उल्लेखनीय है कि इन 10 लघु वित्त बैंकों में से 8 माइक्रो फाइनांस गैर बैंकिंग वित्त कंपनियाँ (एनबीएफसी/एमएफआई) थीं और दो सामान्य एनबीएफसी।

परिचालनरत लघु वित्त बैंक की सूची :

1. एयू स्मॉल फाइनांस बैंक	-	19 अप्रैल, 2017	-	जयपुर
2. कैपिटल स्मॉल फाइनांस बैंक	-	24 अप्रैल, 2016	-	जलंधर
3. फिनकेयर स्मॉल फाइनांस बैंक	-	21 जुलाई, 2017	-	बेंगलुरु
4. इक्विटस स्मॉल फाइनांस बैंक	-	05 सितम्बर, 2016	-	चेन्नै
5. इएसएएफ स्मॉल फाइनांस बैंक	-	17 मार्च, 2017	-	चेन्नै
6. सूर्योदय स्मॉल फाइनांस बैंक	-	23 जनवरी, 2017	-	मुम्बई
7. उज्जीवन स्मॉल फाइनांस बैंक	-	01 फरवरी, 2017	-	बेंगलुरु
8. उत्कर्ष स्मॉल फाइनांस बैंक	-	23 जनवरी, 2017	-	बनारस
9. नॉर्थ ईस्ट स्मॉल फाइनांस बैंक	-	17 अक्टूबर, 2017	-	गुवाहाटी
10. जन स्मॉल फाइनांस बैंक	-	29 मार्च, 2018	-	बेंगलुरु

लघु वित्त बैंक का पूँजीगत प्रबंध

लघु वित्त बैंक की चुकता इक्विटी पूँजी न्यूनतम रूपए 100 करोड़ है। इस बैंक के परिचालन के मद में जोखिमों को देखते हुए निरंतर आधार पर इसकी जोखिम भार आस्तियों(आरडब्ल्यूए) के 15 प्रतिशत तक न्यूनतम पूँजीगत पर्याप्तता अनुपालन रखना जरूरी होगा, जोकि अनुसूचित वाणिज्यिक बैंकों के 9% से ज्यादा है और एनबीएफसी के बराबर है। टियर 1 पूँजी आरडब्ल्यूए का 7.5 प्रतिशत तक और टियर 2 पूँजी टियर 1 पूँजी के बराबर लाया जा सकता है।

इसके अतिरिक्त, प्रवर्तकों का अंशदान कुल चुकता इक्विटी पूँजी का न्यूनतम 40 प्रतिशत या उससे ज्यादा भी इस बैंक के कारोबार में लगाया जा सकता है। लेकिन प्रवर्तकों का अंशदान पाँच वर्ष के भीतर चुकता इक्विटी पूँजी के 40 प्रतिशत तक नीचे लाना होगा। लेकिन प्रवर्तकों के अंशदान का 40 प्रतिशत तक का हिस्सा कारोबार शुरू होने के पाँच वर्ष की अवधि तक इस कारोबार से निकाली नहीं जा सकेगी यानि लॉकइन अवधि में रहेगा। साथ ही, प्रवर्तकों का अंशदान कारोबार शुरू करने के बाद 10 साल के भीतर 30 प्रतिशत और 12 वर्ष के भीतर 26 प्रतिशत तक करना होगा।

इसके अलावा, यदि लघु वित्त बैंक कंपनी की निवल संपत्ति या नेटवर्थ रूपए 500 करोड़ के आंकड़े को पार कर जाती है, तो लघु वित्त बैंक को इस स्थिति में आने के तीन वर्ष के भीतर शेयर बाजार में अपनी कंपनी को सूचीबद्ध करानी होगी। हालांकि, लघु वित्त बैंक कंपनी चाहे तो कंपनी की निवल संपत्ति या नेटवर्थ 500 करोड़ के आंकड़े न होने के बावजूद भी शेयर बाजार विनियामक यानि सेबी से अनुमति प्राप्त कर और उसके दिशानिर्देशों का पालन करने के बाद शेयर बाजार में अपनी कंपनी को सूचीबद्ध करवा सकती है।

किसी भी लघु वित्त बैंक में कोई विदेशी निवेशक स्वचालित रूप से 49 प्रतिशत और अनुमति प्राप्त कर 74 प्रतिशत तक शेयरधारक बन सकते हैं। इसके अलावा, लघु वित्त बैंकों को भारतीय रिजर्व बैंक का विवेकपूर्ण मानदंड यानि प्रूडेंशियल नॉर्म का पालन भी सीआरआर एवं एसएलआर के मद में करना होगा।

लघु वित्त बैंकों द्वारा एमएसएमई ऋण

अपनी स्थापना के बाद से ही सभी लघु वित्त बैंक तेजी से पूँजीकरण और ग्राहक आधार को बढ़ाने की ओर अग्रसर हैं। अपने ग्राहक आधार को बढ़ाने के बाद उनकी पूँजी में बहुत तेजी से बढ़ोत्तरी हो रही है। जैसाकि आपको पता है कि उपर्युक्त 10 में से 8 लघु वित्त बैंक पहले से ही माइक्रोफाइनांस एनबीएफसी रहे हैं और बाकी के दो भी एनबीएफसी की भूमिका में 10 साल से अधिक से भारत की आर्थिक व्यवस्था में भागीदार रहे हैं। इससे यह तो भली भाँति पता चलता है कि वित्तीय समावेशन और कारोबार को आर्थिक आधार प्रदान करने का काम वे पहले से करते आ रहे हैं।

फिनकेयर स्मॉल फाइनांस बैंक(दिशा), इक्विटस स्मॉल फाइनांस बैंक, इएसएएफ स्मॉल फाइनांस बैंक, सूर्योदय स्मॉल फाइनांस बैंक, उज्जीवन स्मॉल फाइनांस बैंक, उत्कर्ष स्मॉल फाइनांस बैंक, नॉर्थ ईस्ट स्मॉल फाइनांस बैंक(आरजीवीएन) एवं जन स्मॉल फाइनांस बैंक पहले से इसी नाम से माइक्रो फाइनांस का काम करते आ रहे हैं और उन्होंने सिडबी के पार्टनर के रूप में अपनी

उपयोगिता और अर्थवत्ता साबित की है। हालांकि, बाकी दो एनबीएफसी कैपिटल लोकल एरिया बैंक और एयू फाइनांस भी सिडबी से पुनर्वित्त की सुविधाप्राप्त करने वाले पार्टनर रहे हैं। उपर्युक्त सभी के दस या उससे भी अधिक वर्षों के माइक्रोफाइनांस एवं वित्तपोषण कारोबार करने के अनुभव को देखते हुए उनसे एमएसएमई के लिए और भी भली-भांति प्रकार से वित्तीय समावेशन सेवा की उम्मीद रखना उचित ही है।

अब जैसाकि पहले ही कहा गया है कि इन बैंकों की अधिकतम ऋणसीमा ₹25 लाख तक ही है, अधिकांश लघु वित्त बैंक संयुक्त देयता समूह या जेएलजी के माध्यम से अल्प वित्त क्षेत्र या माइक्रो फाइनांस के क्षेत्र में ऋण देने का काम कर रहे हैं। इसके अलावा, ये बैंक लघु ऋण, आवास ऋण और वाहन ऋण भी प्रदान कर रहे हैं। उत्कर्ष, कैपिटल, इक्विटस, जन, नार्थ-इस्ट लघु वित्त बैंक ऐसा ही कर रहे हैं। इसके अतिरिक्त, संपत्ति को गिरवी रखकर ऋण, सोना गिरवी रखकर ऋण, किसान क्रेडिट कार्ड, आदि ऋण सभी लघु वित्त बैंक प्रदान कर रहे हैं। जन लघु वित्त बैंक कृषि समूह ऋण एवं कृषि व्यक्तिगत ऋण का भी संवितरण कर रहा है।

हम यह कह सकते हैं कि लघु वित्त बैंकों ने इस दिशा में अपने छोटे-छोटे पाँव बढ़ाने शुरू कर दिए हैं और इनके लिए एमएसएमई ऋण के क्षेत्र में आगे पूरा रास्ता खुला हुआ है।

उज्जवल भविष्य की रूपरेखा

भारत जैसे विशाल देश में एमएसएमई क्षेत्र की सर्वांगीण विकास में लघु वित्त बैंकों की भूमिका महत्वपूर्ण साबित होने वाली है। अपने देश के विशाल स्वरूप और विस्तृत रूपरेखा एवं बृहत् फैलाव को देखते हुए यह जरूरी है कि लघु वित्त बैंक का फैलाव और विस्तार भी देश के कोने-कोने में हो। 10000 से कम की आबादी वाले ग्रामीण एवं अर्द्धशहरी क्षेत्रों तक इनका फैलाव जल्द से जल्द से हो जाए, इसकी उम्मीद हम कर सकते हैं। लघु वित्त बैंक अपनी पूँजीकरण को बढ़ाने और निवल संपत्ति को और अधिक करने के लिए अभी बड़े शहरों, बड़े बाजारों और बड़े निवेशकों पर आश्रित हैं। अभी हम आशा कर सकते हैं कि जल्द ही ये लघु वित्त बैंक अपने फैलाव को अल्पसेवित और असेवितों तक बढ़ा पाने में सक्षम होंगे।

(लेखक की पुस्तक – “भारत में माइक्रोफाइनांस – गरीबी उन्मूलन का कारगर हथियार” को माननीय राष्ट्रपति से वर्ष 2014 में पुरस्कार प्राप्त हुआ है।)

ईआरडीएवी की टिप्पणी - ईआरडीएवी का पूरक लेख “Performance analysis of Small Finance Banks” उपर्युक्त लेख के भाग-II के रूप में आगे दिया जा रहा है।

एमएसएमई के विकास में लघु वित्त बैंकों की भूमिका – II

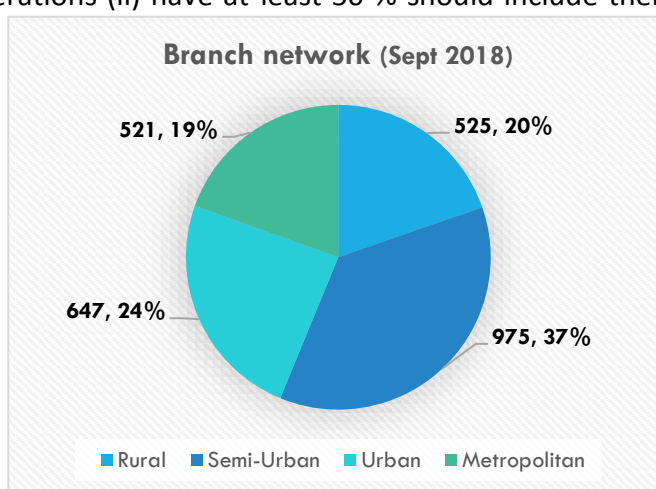
Role of SFBs in the Development of MSMEs – II

Performance analysis of Small Finance Banks

Ramesh Kumar
ERDAV

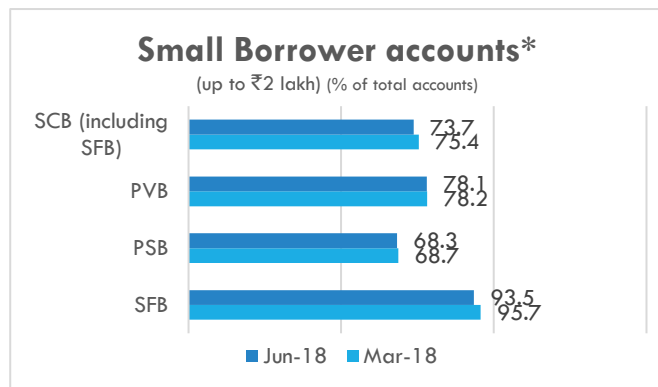
Small Finance Banks (SFBs) were given license with a inclusive mandate, to achieve which, SFBs are required to: (i) have 25 % of their branches in unbanked rural centres within one year from the date of commencement of operations (ii) have at least 50 % should include their loan portfolios of loans not exceeding ₹2.5 million (iii) not undertake any parabanking activity, except that is allowed as per the licensing guidelines and (iv) extend 75 % of their ANBC to the sectors eligible for classification as priority sector lending by the Reserve Bank.

As at March 31, 2018, 10 SFBs were in operation. Out of the above, 7 SFBs have been given the Scheduled Bank status, as of October 2018.

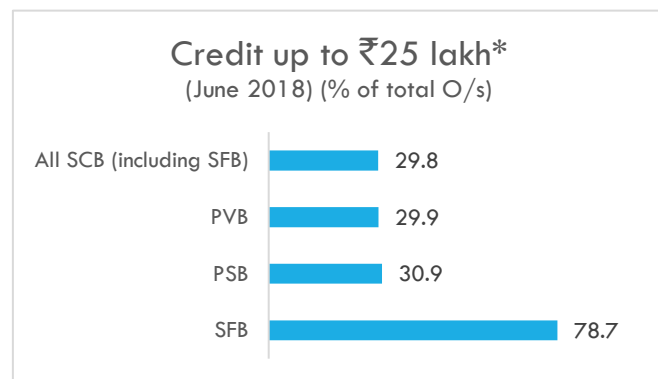


After around 2 years of operation, the SFBs have a total branch network of 2,668 branches as at the end of September 2018. The branch network has registered growth of 54% vis-à-vis March 2018. The rural & semi-urban areas account for 57% of the total branch network of SFBs. The SFBs contributed to new bank branches set up in the country in FY 2018 by around 30%, by opening 1343 new branches out of the aggregate of 4510 new branches opened all commercial banks. Out of the newly opened by branches, around 53% came up in rural and semi-urban areas. Prima facie the high GDP states like Maharashtra, Tamil Nadu and Karnataka have received a larger share of the newly opened branches in the current FY, closely followed by Bihar and Madhya Pradesh.

In line with the mandate of lending to unserved & underserved, 37% of the credit outstanding of SFBs, as on June 2018, is towards the small borrowers (Credit limit up to ₹2 lakh), whereas, in respect of no of accounts, out of the 77 lakh number of total accounts, 72 lakhs i.e. 93.5% accounts pertains to small borrowers. The share of small borrower accounts is considerably higher than 68.3% in PSBs and 73.7% in all SCBs.



As per mandate, SFBs should have at least 50% of the loan portfolio with individual outstanding up to ₹25 lakh. Looking at the size of credit extended by SFBs, as on June 2018, the credit extended below ₹25 lakh is approx. 79% of total credit outstanding, as against approx. 30% of SCB portfolio on an aggregate basis which is towards less than ₹25 lakh segment.



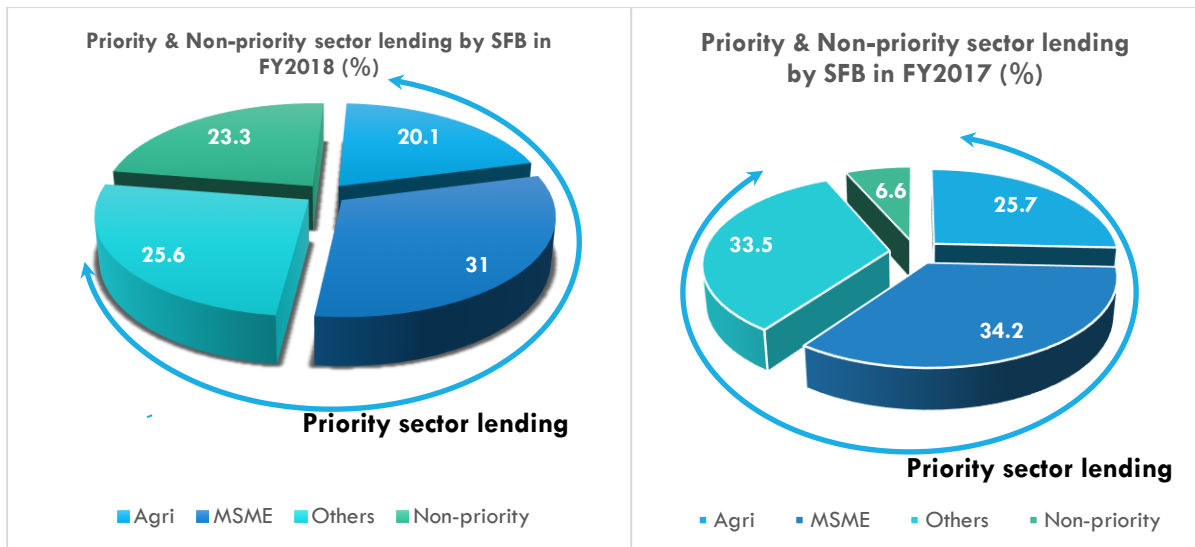
*Data pertains to schedule SFBs only.

Apart from the mandate to serve the unserved & underserved segment, the exposure in lower credit ticket size and small borrower accounts can be attributed to the fact that share of Micro Finance in SFB portfolio is 51% as on March 2018.

The performance analysis of SFBs based on the financials of 6 SFBs which started operation in FY 2017 and total 10 SFBs in FY 2018 is presented below.

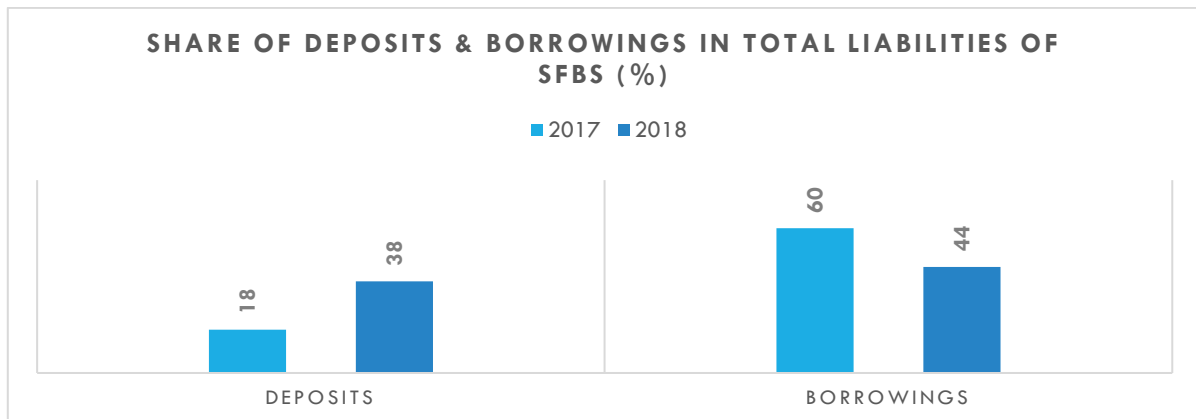
Purpose wise outstanding portfolio of SFBs-

The Loans & Advances, stood at ₹467 billion as on March 2018, constituting 67% of the total asset base of SFBs as on March 2018 as compared to 61% as on March 2017. It is observed that, in sync with the mandate, the outstanding portfolio of SFBs is aligned more towards the priority sector lending with focus on MSMEs and Agri loans. However, in endeavor to diversify its portfolio, during FY 2018, SFBs increased their exposure to the non-priority sector, which was low during FY 2017. The Non-priority loans mainly constitutes Vehicle loans, Personal Loans, Gold Loans & Loan Against Property (LAP).



Liability profile of SFBS-

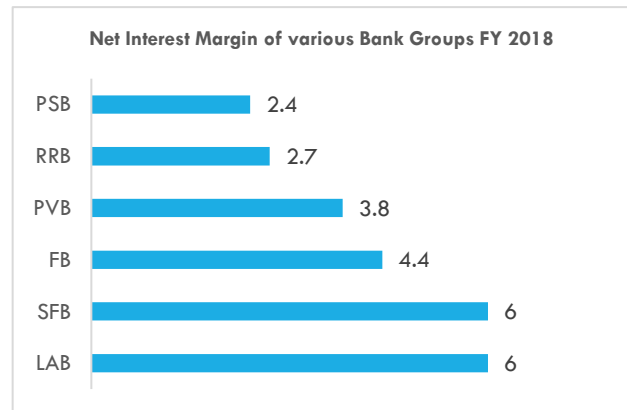
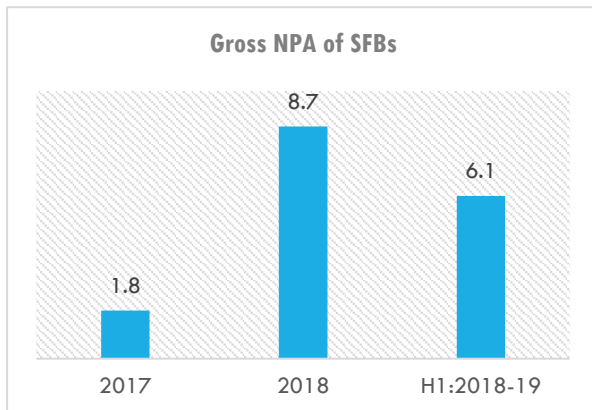
Given the inherent profiles, during FY 2017, borrowings constituted 60% of the total liabilities, while the share of deposits was only 18%. The SFBS family has however seen a healthy growth of deposits (largely bulk deposits), which touched around 38% as at the end of March 2018, aided by the relatively higher rates offered by them.



Financial performance of SFBS-

Due to higher yielding asset class & and shift from high cost borrowings to deposits, bringing down cost of funds, the NIM of SFBS remained higher than other categories of Banks except Local Area Banks. In addition to higher NIM, Non-interest income from trading of Priority Sector Lending Certificates (PSLCs) contributed to SFBS earnings. SFBS accounts for approx. 10% share of PSLC sellers in FY 2018, given their inherent portfolio.

Though, the SFBs have reported positive Earnings Before Provision & Taxes (EBPT), higher provisioning on account of elevated NPAs has resulted in net losses for FY 2018 and also for H1: 2018-19. The elevated NPAs were mainly driven by the slippages in Micro Finance loans post the demonetization phase, which contributes 51% of the SFBs lending portfolio. During H1:2018-19, the asset quality of SFBs has seen some improvement due to diversification in loan portfolio and provision/ write-offs.



Going ahead, leveraging technology, low cost funds and customer service shall be the key to the future growth of SFBs. While on the growth path, performance of the SFBs on the matters of regulatory compliances and corporate governance will be closely watched. As regards the mandate assigned to them, the measure of their success would have to be read from the future measure of accessibility of banking services and credit provided by these banks to those who have been so far deprived of them.

Source: i. https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=45846
 ii. Database on Indian Economy, RBI's Data Warehouse

Udyamimitra Portal Dashboard

Dashboard	June 30, 2018	July 31, 2018	Aug. 31, 2018	Sept 30, 2018
No. of Lenders - logged in	145	145	146	147
Branches started Login	107712	107712	107743	107757
Total registrations	158407	172326	187693	205707
Total HH requests resolved	29323	30855	32126	33449
Total loan applications	31475	34240	36967	42191
Total applications sanctioned	4308	4405	4524	4680
Total applications disbursed	3530	3612	3712	3839



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