

## State level micro-Finance Immersion Programme for Bankers of Western Rajasthan from 29<sup>th</sup> - 30<sup>th</sup> June at Mount Abu, Sirohi, Rajasthan

**Guest of honor:** Honorable Mr. V Sarvan kumar (IAS) - District Magistrate, Sirohi

**Chief Guest in inaugural:** Honorable Mr. Guite (IAS) - SDM, Mount Abu

**Participants:** Total 27 Branch/Regional Managers of State Bank of Bikaner and Jaipur, Rajasthan Marudhara Garmin bank, HDFC and ICICI Bank participated.

**Conducted by:** Center for microFinance & State Project Management Unit, MPoWeR

**Key Resource persons:** Mr. A K Mathur- Retd. Chief General Manager-NABARD, Mr. Anil Kumar Singh-Sr. Specialist-Financial Inclusion-RGAVP, Mr. Mukesh Sharma, Center for microFinance, Jodhpur

**Closing Remarks-** Mr. Ajoy Naquib, GM, SBBJ and Mr. Charan, MGB

**Special Guest:** Mr. Meena, LDM, SBBJ, Udaipur

### Objective of the Programme:

Centre for microFinance (CmF) has designed this microFinance Immersion Programme for Bank Managers to orient and sensitize them towards SHG Bank linkage programme. Some of the specific objectives are as follows:

- To orient bank managers on poverty alleviation programmes running by government, NABARD and other agencies such as MPOWER, NRLM
- To develop an in-depth understating of microfinance principles, delivery models, operations and systems, good practices with focus to SHG 2 of NABARD/RBI and upper structures.
- To share the successful experiences of microfinance programs of other states or Rajasthan and important aspects of the these successful programmes
- Teach all the managers, how to make a SHG portfolio profitable.



After inaugural by Guest of honor, programme was started with the brief presentation of MPOWER by Mr. G K Vyas, GM (mF) of MPOWER. He shared the progress, achievements and best practices adopted by project for poverty alleviation.

MPOWER is currently working with the total 49,000 families in 6 poorest blocks of 6 districts of western Rajasthan to build sustainable livelihoods and increasing the access of financial services to poor.

In address, DM said MPOWER has significantly achieved its deliverables which are visible in field. MPOWER should make these institutions more strengthen with linking them to livelihood activities. He focused on skill building of village youth in new areas of self employment those are helpful for the rural people and government initiatives such as repairing of hand pumps, water pumps etc.



He focused to initiate the community based enterprise especially he suggested for Abu is paper bags, paper napkins, bind making and bags of waste clothes etc. He said project should need to explore the new areas of community based enterprise promotions and Banks should finance them treating as a profitable venture.

Mr Guite also appreciated the efforts of constructive work done by MPOWER with the support of CmF and NGOs.

Resource Person Mr. Anil Kumar Singh from RGAVP shared the presentation on SHG as a tool for micro Finance and he compared the SHG programme of Rajasthan with the other states. He explained in detail about the efforts of government through MPOWER, NRLM. How these programmes are different from other previous programme. This session attracted all managers that how these new initiatives are different from previous scheme SGSY.

**Bankers in field:**

All Managers divided into 4 teams and each team visited on village.



On the day first, All bankers visited to SHGs and observed the SHG meeting process, norms and systems made by SHG members. Along with SHGs, bankers visited the families and discussed about the impact of SHGs on their livelihoods and living style.



Bankers were also observed the books of accounts of SHGs and Village organizations, how members are maintaining these books and paying honorarium to book keeper by their own corpus.

Observation of internal lending, repayment in SHGs, repayment of loan to bank, usage of these loans and impact of these small loans in families were the key areas of observation for bankers.



In the sharing of field visit, all groups of bank managers shared their experiences of field. Some of them shared that first time they have seen SHGs those are doing good such as regular meetings, internal lending etc.

All groups were impressed from the SHGs and members and shared now members are becoming empower and working on their issues. They have seen high degree of financial discipline among members. Manager from SBBJ, Kawas-Barmer shared his experiences with the SHGs in MPOWER area. His experience sharing included the new initiative of Bank Mitra by CmF & MPOWER.

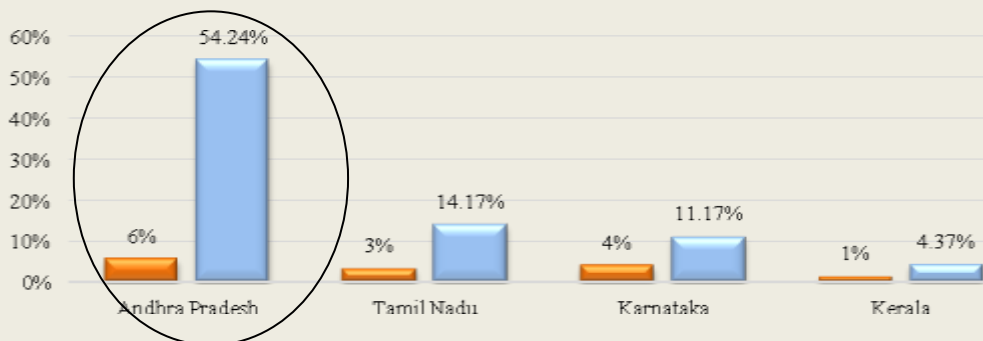
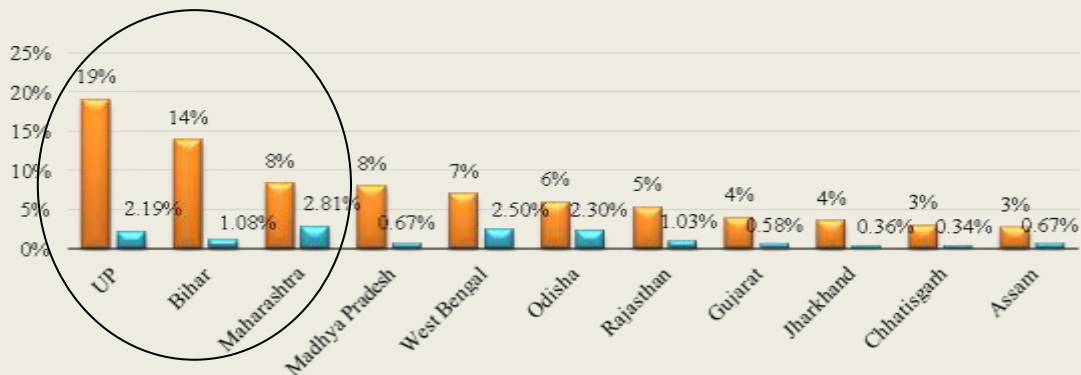
Under the MPOWER Project, 8 Bank Mitras have been promoted to support bank branches where branch staff is less and numbers of SHGs accounts are high. These Bank Mitras support to Bank Managers in subsidiary banking works, support SHG members for Credit and SHG Bank Linkages. All branches those have Bank Mitras shared their experiences with the others. Rest other managers also expressed their interest to involve such persons in their works

Experience sharing by LDM, Udaipur: Mr. Meena, LDM, Udaipur shared his experience of microfinance and SHG financing. He also shared his experience of recent visit of SERP, Andhra Pradesh that how the SHG programme is different from or programme and how we can improve the SHG bank linkage programme in Rajasthan. He nicely described the role of Banks in rural development.



Mr A K Mathur explained the details of SHG 2 of NABARD/RBI and made clarity on SHG lending. He shared his experiences of working with NABARD on SHG Bank Linkages programme. Mr. Mathur explained the circulars of shifting SGSY to NRLM or RBI, relaxation in service area approach of RBI, Circular on priority sector lending and Master circulars of SHG Bank Linkages. During his session some practices of SHGs were cleared to Bankers such as *Panchsutras*, Grading of SHGs etc.

Lead presenter of the programme Mr. Anil Singh shared the state government efforts for SHG Bank linkages. He cleared that in State now all SHGs will be regulated by RGAVP, which is an autonomous society registered under the department of rural development. He presented the figures of NPA state wise and shared that Andhra Pradesh has 3% NPA only, which is the lowest from all states and the credit disbursal is highest in Andhra from other states. He shared the ratio of poor families with the comparison of credit disbursal to SHGs.



Share of Poor HH of country\*

Share of Credit disbursal

Possible reasons for declining the credit % and increasing the NPA would be found the lack of required facilitation support by banks, lack of repeat linkages and increased focus of banks on lending to MFIs. Resource person explained the difference between the high SHG lending

branch and less SHG lending branch for explaining the impounding of SHG savings. In the last session, he motivated managers for SHG lending and treat SHGs as a profitable portfolio for branch.

In the last session, Mr. Ajoy Naquib-GM, SBBJ motivated all managers by his closing remarks. He told to bankers that Banking is a profession which can play a large role in poverty mitigation. He shared his experience of professional life with bankers and requested them to treat SHGs and member well and provide them effective financial services. He said before opening branch we search the scope but we can generate scope after opening the branch.

Mr. Charan, Regional Manager, RMGB also addressed all the participants for their active participation in immersion programme.

Mr. Naquib, Mr. Mathur and Mr. Anil Singh distributed the certificates to all. All bankers shared their feedback verbally and in written for the further refinements in the programme.

In last session, Mr. Vyas and Mr. Mukesh expressed deep gratitude towards all bankers, resource persons and delegates from CmF and MPOWER.