

# NEWSLETTER III September 2013



## TABLE OF CONTENTS

**SATISFACTION OF SHG MEMBERS WITH BANK LINKAGE**

**SHG NETWORK AS A BUSINESS CORRESPONDENT (BC)**

**PAST EVENTS & UPCOMING EVENTS**

**FINANCIAL SYSTEMS DEVELOPMENT**

*Past Events – Featured Publications*

**FEATURED PUBLICATIONS**

**FEATURED PRODUCT**





Dear Reader,

This newsletter again provides insights into the broad range of RFIP and other GIZ financial sector activities. We hope you enjoy reading it.

There have been two recent events that are highly relevant to our work. Both will be topics in our next newsletter.

The first event is a NABARD circular (06 September 2013) on PACS as Business Correspondents (BC) of Central Cooperative Banks / State Cooperative Banks. In a clarification of earlier statements, NABARD emphasises that PACS have not been directed to convert to BC, but that cooperative banks have been allowed to “use PACS as BC as part of the financial inclusion programme”. This is “an opportunity for PACS to play an enhanced role in the rural areas”. And, the “decision on PACS functioning as BC will be taken by cooperative banks, state governments, PACS and other stakeholders”. The RFIP has been supporting the functioning of PACS as BC in cooperation with state level stakeholders as an additional business opportunity to expand banking services to PACS members.

The second event is the RBI Discussion Paper “Banking Structure in India – The Way Forward” (August 2013), which opens a new window for the discussion of a small, local banking category in India. Germany provides a case for the strength of small, local banking systems. Also other countries such as Indonesia have small/local/secondary banking systems which play an important role in financial inclusion. Copying such models in India will most likely not work. But, experiences of other countries may be highly relevant to understand both the opportunities and challenges involved in the building of a sound small, local banking system. Also this will be a topic in our next newsletter.

Dr Detlev Holloh, GIZ Programme Director

## SATISFACTION OF SHG MEMBERS WITH BANK LINKAGE

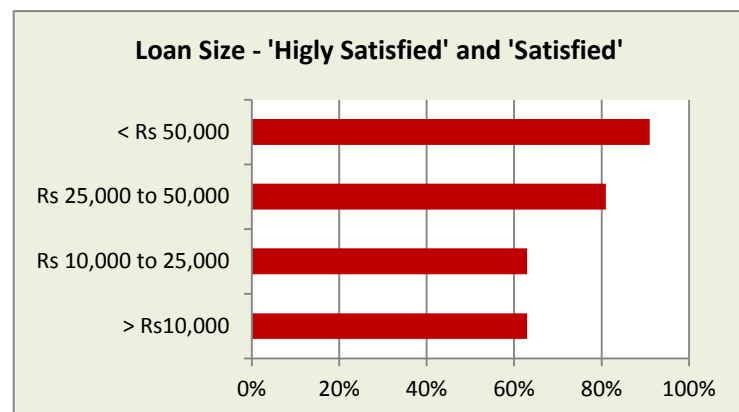
In order to improve the quality of financial services and the benefit they generate for SHG members, the RFIP conducted a comprehensive satisfaction analysis. 1,351 SHG members across 4 states (UP, Rajasthan, Odisha and Tamil Nadu) were interviewed in the study: 97% of the respondents were women, 83% from rural areas, 65% had a leading function within the SHG and 67% of them had been SHG members since more than 4 years already.

### 1 Satisfaction with Group Accounts

- On an average 82% of the respondents are satisfied (77% ‘satisfied’ and another 5% even ‘highly satisfied’) with respect to handling of the SHG SB Account by the bank (KYC for opening, bank charges, transaction time for opening, pass book updating and withdrawal formalities). A big difference could be noticed between the satisfaction of rural and non-rural SHG members regarding the updating of the passbook: while 94% of the non-rural respondents were satisfied only 76% of the rural SHG members shared this feeling.
- The satisfaction with the range of products as well as with information and briefings about the products is much lower: Only 30% of the respondents say they are satisfied or highly satisfied, while 35% are least satisfied and 34% could not give an answer to these questions.
- There is a general high satisfaction with the location of the branch, their working hours as well as facilities at the bank, but there is again a big difference between rural and non-rural respondents: While 83% of the non-rural respondents were satisfied with these aspects in general, rural SHG members were less satisfied with the location of the bank (71%) as well as the facilities available (space, water, toilet, computer network etc.) (65%).
- The services and attitudes of bank staff and manager were less satisfactory for SHG members: Only about

60% were satisfied with services of the banks like support during the credit appraisal process, guidance to fill in applications, the attitude of branch managers and staff, visits to SHGs by bank staff and customer grievance mechanism.

- When it comes to the loan amount, there is a clear increase of satisfaction with increasing loan size. While only about 63% of the SHG members were satisfied with loan sizes up to INR 10,000, 91% were satisfied with loan sizes above INR 50,000.



- Looking at the loan conditions and processes, there is a mixed picture: While more than 80% of the respondents are satisfied with aspects like repayment period and the documentation of loans, only slightly more than 60% are satisfied with the rate of interest, opportunity costs (like number of visits to banks, loss of wages due to visit to banks) or the processing of

## SATISFACTION OF SHG MEMBERS WITH BANK LINKAGE (Contd.)

repeat loans. In rural areas 25% of the respondents and in non-rural 17% could not answer the question about interest rates they are being charged for the loan which indicates a low awareness of the same. Also repeat loans still seems to be a problem as more than 20% of the respondents have not receive a subsequent loan.

### 2 Use of Individual Financial Services

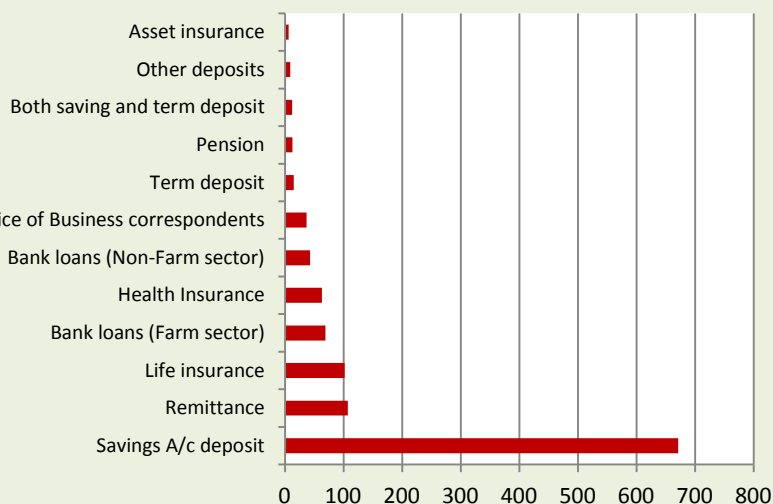
The study also looked beyond the group account and assessed the access to and satisfaction with other individual financial services.

The graph below shows that 53% of the SHG members also do have individual savings accounts with a bank, while only minorities used other services like remittances (8%), insurance services (8% life insurance, 5% health insurance), individual bank loans (5% farm sector, 3% non-farm sector).

Only few respondents had taken an individual loan from the bank. Loans through the Kisan credit card (for members who own land) or jewellery loans (for landless members) were the most common. SHG leaders and members who have been with SHGs for longer periods are more likely to have taken a loan. Most of the loans are used for agricultural purposes in rural areas and are taken by members who have lesser income. The loan sizes varies but most of the loans taken ranged between 10,000 (40%) and 50,000 INR (28%).



### Use of Financial Services



### 3 Satisfaction with Individual Financial Services

- Savings account:** On an average 89% of the respondents were satisfied with their individual savings account. More than 90% are satisfied with the KYC and the minimum balance required for account opening, as well as with the minimum transaction amount, the pass book updating and withdrawal formalities. Little lesser respondents were satisfied with the bank charges and fees for these accounts as well as the transaction time.
- Loan products:** The satisfaction with individual loans from banks was much lower. While in average 52% of the clients of jewellery loans are satisfied, only 45% of KCC clients and only 36% of the users of term loans share the same. The least satisfying feature across all clients was the interest rate, and especially KCC and term loan clients were often not satisfied with the credit appraisal process. For term loan clients also the collateral security and the required documentation papers for the loan lead to lower satisfaction.
- Pension Schemes:** 62% of the respondents who used pension schemes were satisfied with the services they received. Least satisfaction could be seen with product awareness, the frequency of the payments and the passbook statements for individual contributions. Promised returns and withdrawal facilities were among the more satisfying features.
- Remittances:** While more people have been on the receiver's end of remittances services than on the sending side, the satisfaction is higher among senders. Less satisfying factors for senders are the costs of transfers and the involved procedures, while these are issues the receiver is not really aware of.
- Insurance:** The satisfaction with insurance services is as low as approx. 50%. While there is a general low awareness about different features like claim settlement procedures and additional product features (e.g. bundling with voluntary savings or loan), the extent of coverage (sum assured) and the premium amount is also less satisfying for clients. High satisfaction can be seen with the frequency of paying the premium and to some extent the documentation process.



## SHG NETWORK AS A BUSINESS CORRESPONDENT (BC)

### Introduction

A pilot project under the GIZ-NABARD Rural Financial Institutions Programme (RFIP) was envisaged in 2012 to explore the potential of SHG members functioning as Business Correspondents (BCs) to offer banking services at the doorstep of the village residents, particularly to women and poor households, with backing from the SHG supporting institutions.

The SHG-Bank linkage programme (SBLP) has supported the formation of SHG networks with extensive geographical reach, now covering about 100 million households. If SHG members are supported to become Business Correspondent-Customer Service Points (CSPs), this huge network could be tapped for the door step delivery of financial services, especially in rural areas.

The Gramin Bank of Aryavart (GBA) in cooperation with RFIP identified a well-functioning SHG ecosystem in the Unnao district of Uttar Pradesh that is being nurtured and promoted by Rajiv Gandhi Mahila Vikas Pariyojana (RGMVP) for this pilot project. Bank Sakhis – selected SHG members who have been acting as a facilitating link between the SHGs and the bank – are being capacitated to carry out the function of CSPs.

### Progress

To start with, Adarsh Mahila Block Sangathan (Sumerpur block, Unnao district) has been chosen as a Business Correspondent and its Bank Sakhis as CSPs. 10 *Bank Sakhis* underwent initial orientation training in August 2012 to perform the role of a CSP such as conducting enrolment of village residents using the ICT tools, financial transactions using the POS device, managing cash etc.

In the pilot, the goal is to start ICT based banking services in 50 Gram Panchayats at 2-3 different blocks of Lucknow and Unnao. In the first phase of the pilot, BC activities at 5 gram panchayats in Sumerpur block of Unnao district have begun. The ICT based savings transaction at one GP by a *Bank Sakhi*-CSP has begun and enrolments are being done by four *Bank Sakhis*-CSPs in the remaining four villages.

### Training Kits

Training kits are being developed for *Bank Sakhis*, which contain **Flip Chart, Reference Guide, Video on Financial Awareness Building, Guide Book on Banking Schemes** and **Facilitator's Guide**. The Reference Guide is being prepared so that *Bank Sakhis* can refer to this document pertaining to the enrolment kit and process, transaction kit and process, roles and responsibilities of *Bank Sakhis*, Dos and Don'ts etc. The Flip Chart and Facilitators' Guide are being developed as enablers for the trainers to conduct training amongst the *Bank Sakhi*-CSPs. Both the flipbook and the training video are tools to be used by the *Bank Sakhis* while addressing the people of their village in explaining the benefits of being financially included.



### Training Programme

To build the capacity of existing *Bank Sakhi*-CSPs by inducting new *Bank Sakhis* (selected by the Block Level Federation) as a CSP, a two-day residential training programme was held on 23<sup>rd</sup> and 24<sup>th</sup> August 2013 at RGMVP Community Resource and Development Centre (CRDC) at Lalganj, Rae Bareilly, Uttar Pradesh.

Indian Institute of Microfinance for Women (ISMW) conducted the training. It specializes in conducting financial literacy campaign and training programme for the field staff. The bank officials of Gramin Bank of Aryavart proactively addressed the questions of training participants



on KYC, opening of savings accounts, transactions, cash management etc. The training programme for Bank Sakhis has been designed in three modules:

**Module 1:** Financial Awareness Building and Enrollment of Customers;

**Module 2:** Transaction by Customers using POS device and Cash Management;

**Module 3:** Other Financial Products and Services being offered by GBA.

The two-day training programme delivered the Module 1 training containing the following:

- Understanding on BCs, CSPs and environment containing
  - SHG member (*Bank Sakhi*) as CSPs & need for banking services in rural areas
  - *Bank Sakhi*-CSP and her characteristics
  - Stakeholders of the BC model involving *Bank Sakhis* as CSPs and Process Flow
- CSP activities and responsibilities
  - Accountability, Transparency and Responsibilities of a CSP
  - Awareness Building, Product Promotion and Financial Incentives for a CSP and Role Play Exercise
- Enrolment Kit and Process
  - Understanding the usage of Enrolment kit and equipment
  - Understanding the steps of Enrolment Process (Administrative and Technical Aspects) and Practical Demonstration
  - Enrolment Process - Practical Exercise by participants

To encourage participation of trainees, various games and exercises were used by the trainers like group exercise, role play, and presentation by the participants. Keeping education level of the *Bank Sakhi*-CSPs into account, the training materials were used containing pictures and symbols.

### Next Steps

- To conduct training of trainers (ToT) of RGMVP training staff, office bearers of Block Level Federation (Adarsh Mahila Block Sangathan) and *Bank Sakhis* who can be used as a resource person in the forthcoming training of Bank Sakhi-CSPs
- To conduct training of 5 *Bank Sakhi*-CSPs on Module 2 of the training – on transaction and cash management.
- To expand the current scope of work to cover 15 more *Bank Sakhis* in the same Block by the end of October, 2013.



## PAST EVENTS

**Training Workshop for the newly elected Board of Directors of Andhra Pradesh Cooperative Banks, 13<sup>th</sup> - 15<sup>th</sup> April 2013, Gangtok, Sikkim:** The cooperative banks in Andhra Pradesh have recently completed the process of elections and have a newly elected Board of Directors in place. At the instance of the AP State Cooperative Bank and the Apex State Cooperative Training Institute (accredited by CPEC, BIRD), GIZ-NABARD RFIP conducted an orientation programme on 'The Principles of Corporate Governance for Cooperatives' for the directors during 13-15 April 2013, through CPEC and BIRD. During the workshop, good practises on governance were discussed and the participants in the workshop were oriented towards roles and responsibilities of directors on boards of cooperative banks. The workshop also resulted in an action planning exercise by the participants for implementation of the good practises of corporate governance in their respective banks.

**Orientation Workshop on Good Governance for the newly elected Directors of Cooperative Banks in Kerala, 19<sup>th</sup> April 2013, Trivandrum, Kerala:** The cooperative banks in Kerala have recently completed the process of elections and have newly elected board of directors in place. At the instance of the Regional Office of NABARD, Rural Financial Institutions Programme facilitated an orientation programme on 'The Principles of Corporate Governance for Managing Financial Cooperatives' for the directors on the 19th April 2013. The programme was interactive and well-appreciated by the RO Kerala, RBI and the stakeholders in the CCS. The workshop was successful in bringing about the importance of responsible governance practises in a cooperative bank and the expectations of the stakeholders including the regulator and supervisor from the directors of the cooperative banks.

**Workshop in Risk Management for Tamil Nadu Cooperative Bank, 23<sup>rd</sup> April 2013, Chennai, Tamil Nadu:** At the request of the Tamil Nadu State Cooperative Bank, a workshop on 'Risk Management' was organised for its senior management. Mr Philipp Heldt Sorgenfrei, GIZ consultant, made a presentation on 'Key Aspects of Risk Management for Cooperative Banks'. Based on the interactions and the further interest evinced by the participants, the tools developed by the RFIP for the use of cooperative banks were also presented and delivered to the Bank. The bank committed to implementing optimum risk management practises by using the tools developed in this regard.



**Training Workshop for PACS Auditors, April-June, 2013 in Gujarat:** The trainers in National Institute for Cooperative Management (NICM) in Gujarat were trained by GIZ Consultant based on which NICM had organised 7 Training Programmes for PACS Auditors, thereby training about 193 auditors. The auditors were oriented in the use of the PACS Audit Manual and in basic principles of cooperative audit, Roles and Responsibilities of Auditors, Audit Execution and Audit Rating and classification. The training workshops were useful in orienting and preparing the auditors in the use of the PACS audit manual and in preparing the auditors for implementing better audit practices in the state of Gujarat. This would eventually help in professionalization of the audit function and better transparency of the financials of PACS leading to better management of these institutions. NICM is a BIRD-CPEC accredited institution.

**Training Workshop for PACS Auditors, 24<sup>th</sup> -28<sup>th</sup> June, Chennai:** Apex Cooperative Staff Training Institute (ACSTI), Tamil Nadu had organised a week long Training for master trainers who would in turn train the PACS auditors in Tamil Nadu. The major topics addressed in the Master Trainers Training Programme were PACS – Business and Resources, Internal Controls and Governance, Accounting and Auditing Standards, Financial reporting Framework, Prudential Norms for PACS, Audit Planning, Audit Sampling, Audit procedures, Audit Execution and Audit Rating and classification. The training workshops were useful in orienting and preparing the master trainers for further training the auditors who audit PACS in Tamil Nadu. ACSTI, Tamil Nadu is a BIRD-CPEC accredited institution.



**Training of the Field Staff on Financial Education and Awareness Toolkit for SHG member, Bihar and Jharkhand:** RFIP and NABARD have developed a comprehensive training toolkit to be used during trainings for financial awareness and education of SHG members. With the aim of bringing key messages about household budgeting, savings and financial planning to the field, RFIP has been working in close cooperation with REACH India who is working with a strong network of trainers, facilities and NGOs. After a first round of pilot trainings in October and November 2012, a second round of Training of Trainers (ToTs) for 15 partner organisations from Bihar, Jharkhand and Chhattisgarh was conducted recently in Patna (21<sup>st</sup> - 24<sup>th</sup> June) and Ranchi (17<sup>th</sup> - 19<sup>th</sup> July). The response from participants in both locations was positive in light of the highly engaging and participatory approach of the training material. RFIP and Reach India jointly provided handholding support in training of the field staff in the respective organisation and the implementation among SHG members is now on-going. A larger, country-wide rollout of training materials will be coordinated by NABARD and the respective Regional Offices.





**NABARD Chairman inaugurates conclave of CEOs of StCBs on Leveraging Payment Systems, 5<sup>th</sup> July 2013, IIBF Mumbai**

A conclave of CEOs/MDs of State Cooperative Banks (StCBs) was organized by RFIP and NABARD with the objective of identifying and addressing the challenges faced by Cooperative Banks in implementation of payment systems and RuPay Kisan Cards and solutions thereof. Dr Detlev Holloh, GIZ Programme Director welcomed the guests and gave a brief outline of the programme during his welcome speech.

Dr Prakash Bakshi, Chairman, NABARD, delivered the keynote address. Dr Bakshi in his address stressed on the role of StCBs in issuance of RuPay Kisan Cards by DCCBs by laying emphasis on the large number of KCC accounts held by Cooperative Banks. He advised that the Cooperatives have to be technology driven if they want to retain the



large number of KCC accounts held by them. This was followed by presentation by NPCI on RuPay cards and GIZ on payment systems.

Raigad DCCB, Maharashtra, the first DCCB to issue RuPay Kisan Cards, also gave a presentation on how they successfully implemented the entire payment system. GIZ gave a presentation on potential options of maintaining alternate accounting system for Cooperative Banks for issuance of RuPay Kisan cards like setting up of shadow accounts between PACS and DCCBs etc. without disturbing the existing STCCS. The highlight of the conclave was the two hour discussion and clarification session on various issues.

**Conclave of DCCB CEOs on Leveraging Payment Systems for Cooperative Banks at IIBF, Mumbai on 27<sup>th</sup> August, 2013**

The RFIP, in cooperation with National Payment Corporation of India (NPCI), organized a conclave of DCCB CEOs with the main objective of sensitising them to the various facets of payment system with focus on RuPay Cards. More than 40 participants attended the conclave.

Mr Niraj Gupta, CGM, SPU-KCC, Head Office NABARD and Mr. A P Hota, MD, National Payment Corporation of India (NPCI), delivered the keynote address and inaugural address respectively before **releasing the Implementation Reference Guide for On-boarding 'RuPay' Kisan and Debit Cards during the conclave**. The conclave was highly interactive with chief functionaries of DCCBs showing a keen interest in implementing such payment system solutions in their banks. They raised their queries and shared the challenges faced by them and the way forward and potential solutions and models were discussed during the conclave. Various aspects of leveraging the payment systems of cooperative banks, RuPay Kisan and Debit Card issuance were discussed, including the operational and accounting issues, potential models and solutions to the challenges.



**Workshop on Microfinance Institutions (MFIs) as Business Correspondents (BCs), 10<sup>th</sup> September, 2013, at Gurgaon:**

RFIP and Grameen Foundation India (GFI), in their efforts to study and promote the BC model, organised a workshop on MFIs as BCs which was attended by over 40 participants including a diverse set of stakeholders ranging from MFIs (both for-profit and not-for-profit), Technology Service Providers (TSPs), and banks to donor agencies. The workshop was highly interactive with all stakeholders sharing their experiences of the BC model by leveraging the MFIs. GIZ shared the findings of its on-going study on MFIs as BCs from the online survey and the demand side survey, and GFI shared its experience of supporting Cashpor Microfinance for the BC model. The workshop was divided into relevant sessions which discussed the legal and operational structures, building and managing partnerships, financial viability (business case for MFIs), customer (demand side) and MFI preparedness to become a BC. The workshop concluded with a discussion on next steps and suggestions were noted to carry forward the work on the BC model by taking into account the learning from this workshop.

## PAST EVENTS - Continued

### **Workshop of PACS Development Cell Resource Persons, 6<sup>th</sup> – 8<sup>th</sup> August, 2013, Bhubaneswar**

The RFIP has been working in the state of Odisha on implementing and strengthening the PACS Development Cell (PDC) model of NABARD. Based on the field interactions, a toolkit was developed and field tested with active involvement of resource persons from the PDC at Balasore Bhadrak Central Cooperative Bank (BCCB) as well as the participation of the 30 PACS attached with BCCB. The toolkit includes MIS for PACS, Basic Business Planning and Budgeting Tool for PACS, Basic Portfolio Management Tool for PACS, Analysis of Feasibility and Profitability of New Products and Services, Work Plan for PDCs, and Business Opportunity Assessment of PACS. The experiences gained during the field testing and through the active participation of the Resource Persons of PDC BCCB were shared through the workshop for the PDC Resource Persons of six DCCBs to orient them to the tools to enable them to use the same for handholding the PACS to develop exemplary business plans. The participants in the workshop were from the PDCs of the six DCCBs, viz. Angul, Balasore, Boudh, Koraput, Mayurbhanj and Sambalpur.



**Diagnostic Workshop of Odisha State Cooperative Bank (OSCB) for implementing a change process, 13<sup>th</sup> - 14<sup>th</sup> August, 2013, Bhubaneswar:** At the instance of the OSCB, a diagnostic exercise was undertaken followed by a one day workshop on eliciting the views and opinions of a cross-section of stakeholders on 13<sup>th</sup> and 14<sup>th</sup> August 2013. The objective of this exercise was to identify the requirements/processes for implementing a change management initiative at the bank during the next one year. The outcome of this overall process is the defining of the vision and mission of the bank and an implementable business plan for the next five years for the bank.

**Exposure visit of NABARD officers to Cooperative Systems in Germany, September 8-14, 2013:** The RFIP facilitated an exposure study of the NABARD officials, funded by NABARD, to the Cooperative System in Germany. The main aim of the exposure trip was to understand the audit framework of the German cooperatives, role of audit federations, role and importance of systematic HRD in the German Cooperative setup, regulatory and supervisory framework for cooperative banks in Germany, linkages and cooperation system between BAFIN and audit federations and demarcation of powers and functions of the Management and Governance structures for Credit Cooperatives in Germany. The participants were the Project Managers from NABARD (Institutional Development Department (IDD) and Department of Supervision (DoS)) who have completed CBS (Core Banking Solution) of cooperative banks and have experience in supervision and institutional development.

## UPCOMING EVENTS

- Training Workshop for Resource Persons of PACS Development Cells at ACSTI organised by OSCERT, Bhubaneswar, 24-28 September 2013
- Stakeholders Workshop of Economists and Bankers to discuss the state of Rural Finance at NABARD, Mumbai on 8th October 2013
- National Seminar for Orientation of Auditors of Cooperative Banks at BIRD, Lucknow, 17-18 October, 2013
- Training Workshop for Resource Persons of PACS Development Cells at Mahabubnagar DCCB, Mahabubnagar, during 17-19 October 2013
- Orientation and Induction Training for Resource Persons of PACS Development Cells for all states at BIRD, Lucknow, 14-25 October 2013
- Phase I of Organisation Development Initiatives at OSCB, Bhubaneswar during 26-28 October 2013

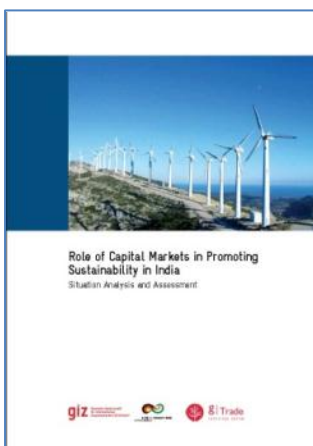


Past Events

**Stakeholder Workshop on Financial Education Initiative by GIZ and BSE Institute Limited (BIL), 20<sup>th</sup> June, BIL, Mumbai:** Financial literacy and education is an on-going process and the first step for prospective market participants to improve their understanding of financial systems, market instruments and risks. In line with the above objectives, GIZ and BSE have designed a financial literacy toolkit where financial concepts are taught to a diverse set of participants in a fun-filled and entertaining manner using board games as the medium for information dissemination. To showcase the learning's from the initial set of pilots and to explore future co-operation opportunities GIZ along with the BIL organised a stakeholder workshop which was attended by a host of market participants representing regulatory bodies such as SEBI, RBI & the Forward Markets Commission, supervisory bodies such as NABARD, and educational and training institutions such as the National Institute of Securities Markets. The toolkit showcased at the event was appreciated by all and follow up exchanges have been planned with some of the present stakeholders to explore future co-operation opportunities in this exciting focal area.



Featured Publications



**Role of Capital Markets in Promoting Sustainability in India**  
*Situation Analysis & Assessment*

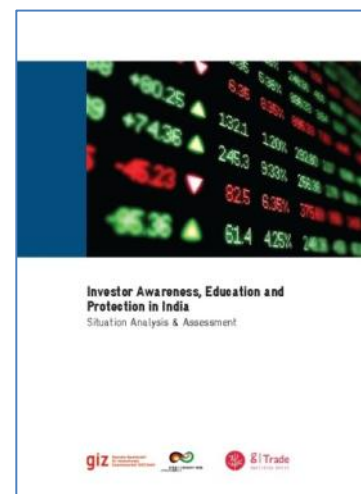
The study presents the case for achieving sustainability in the Energy sector via harnessing the potential of renewable energy and energy efficiency. The study examines the role of capital markets therein across five main sections: **Section 1:** Demand and supply projections, renewable energy, energy efficiency, **Section 2:** Sustainability and Policy Paradigm, Main Opportunities and Risks in the Indian Markets, the case for market instruments in India. Section 3: Debt financing and sustainability, the green climate fund, National Clean Energy Fund, **Section 4:** Asset allocations and the Pensions/Insurance Sector, the role of development agencies in facilitating a low carbon growth path, **Section 5:** Conclusions and Recommendations

**Investor Awareness, Education and Protection in India**

*Situation Analysis & Assessment*

The study charts the growth of Indian Capital Markets and the various initiatives taken along the way to inform, educate and protect the investor by different bodies and gives recommendations for improving the same.

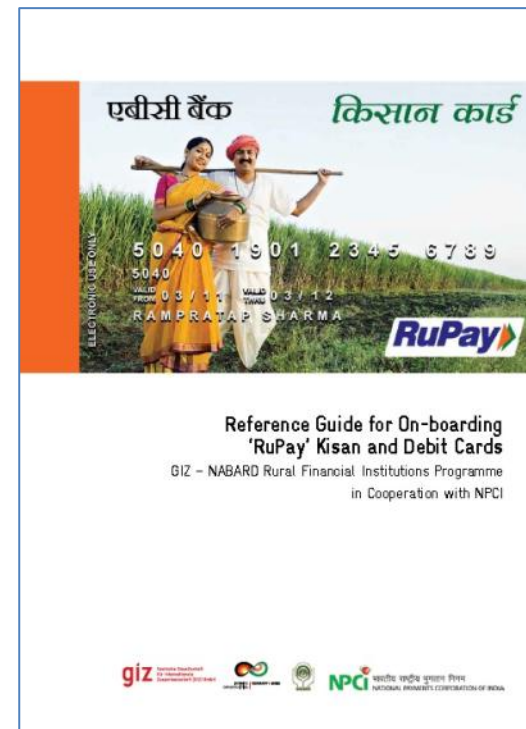
**Section 1:** Evolution of Indian Capital Markets, Establishment, regulation and growth of stock exchanges in India, growth pattern of the securities market in India till 1990. **Section 2:** Establishment of the Securities and Exchange Board of India (SEBI), regulation measures taken by SEBI **Section 3:** Participation trends in the capital markets. **Section 4:** Role of SEBI, RBI, stock exchanges in investor awareness, education and protection, Mutual Fund Industry, various initiatives taken by market participants for investor awareness, education and protection. **Section 5:** Conclusions & Recommendations.



## FEATURED PUBLICATIONS

### Reference Guide for On-Boarding 'RuPay' Kisan and Debit Cards GIZ – NABARD Rural Financial Institutions Programme in Cooperation with NPCI

Lead by the Special Project Unit (SPU-KCC) of NABARD and in association with National Payment Corporation of India (NPCI), a handbook was released in mid-2013 for banks on issuance of 'RuPay' Kisan Credit Card (KCC) which covered common card terminologies, FAQs and NABARD guidelines. Further, based on the feedback received from various stake holders (mainly District Central Cooperative Banks), a need was felt to provide these banks with a more "implementation process-oriented" ready reckoner which could be used as a one point reference guide for preparing an operational roadmap for RuPay on-boarding and taking up further activities in the on-boarding process. Resultantly, this Reference Guide for on-boarding 'RuPay' Kisan and Debit Cards has been jointly prepared and released in August 2013 by the RFIP & NPCI as a tool for facilitating banks in their on-Boarding process. This reference guide provides the steps required to be taken by banks before issuance of RuPay cards besides providing options available to the bank in selection of approved vendors, while conforming to the compliance guidelines of NPCI. It is expected that this reference guide will serve as a handy toolkit for these banks in facilitating easier and faster on-boarding process management for issuance of RuPay Cards to the rural population of India.



### Guidebook on Banking Schemes

Gramin Bank of Aryavart (GBA) with support from the GIZ-NABARD Rural Financial Institutions Programme has embarked upon a pilot project that intends to capacitate selected SHG members to act as the bank's extended arm. In this project, *Bank Sakhis* of the Self- Help Groups (promoted by Rajiv Gandhi Mahila Vikas Pariyojana) are being trained to take on the role of the Bank's CSPs. (Read more about this in the article "SHG Network as BC").

This flipbook is a tool to be used by the *Bank Sakhis* while addressing the people of her village in explaining the benefits of being financially included. Such an intervention is expected to go a long way in bringing about total financial inclusion as per the guidelines of the Reserve Bank of India.

### GUIDE BOOK ON BANKING SCHEMES बैंकिंग योजनाओं की गाइड बुक



### Reference Guide for Bank Sakhis

Pertaining to the same project described above, The Reference Guide has been prepared so that *Bank Sakhis* can refer to this document regarding the enrolment kit and process, transaction kit and process, roles and responsibilities of *Bank Sakhis*, Dos and Don'ts etc. This reference guide comprises of three modules, namely

- 1) CSP enrolment process,
- 2) Financial transactions, Smart Cards and PoS Machines, and
- 3) Additional financial services as Business Facilitator (BF)



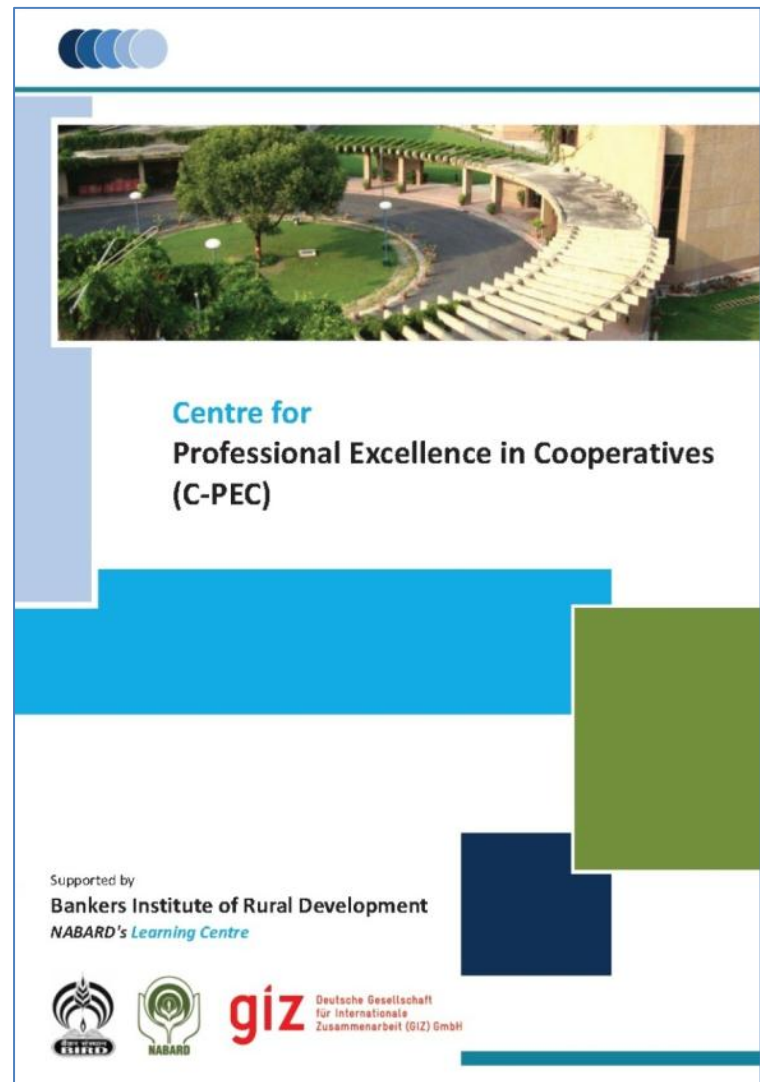
## FEATURED PRODUCT

### Brochure for Centre for Professional Excellence in Cooperatives (C-PEC)

The RFIP has been focusing on the building of support structures which develop the capacity to ensure the quality of training and professional competences required for STCCS staff and board members. The core of this approach has been the establishment and organisational development of the Centre for Professional Excellence in Cooperatives (C-PEC), which is a unit of the Bankers Institute for Rural Development (BIRD) of NABARD. C-PEC's core functions are to standardise training courses, to accredit trainers and training institutes based on quality criteria, and to examine and certify the competences of CCS staff.

C-PEC currently has 5 training/ certification products, has accredited 34 Cooperative Training Institutes, certified more than 100 trainers for financial cooperatives, and has over 4,000 institutional (banks and primary cooperatives) and individual members.

The design and development of this brochure would help C-PEC to showcase its capabilities at various tiers of the CCS, thereby encouraging more and more individuals and institutions to come forward for membership, certification, accreditation and training. Ultimately, this would lead to improved competences and skills of the CCS workforce. A corporate film of BIRD and C-PEC is also being planned to further help in this endeavour.



#### ABOUT US

The newsletter series 'Rural Finance and Financial Systems Development India' is published by the Rural Financial Institutions Programme (RFIP), a technical cooperation programme of the National Bank for Agriculture and Rural Development (NABARD) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The RFIP focuses on providing capacity development support for strengthening the Short-term Cooperative Credit Structure, improving the delivery and use of microfinance services through SHGs, and promoting financial inclusion through improved bank business correspondent models.

The newsletter series covers these areas of work as well as our initiatives in other fields of financial systems development such as micro insurance, agricultural insurance and risk management, and green finance. Cross-cutting issues are financial literacy and capability as well as consumer protection.

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