

## Message from Managing Director



Needless to mention that MFIs have been providing unsecured loans to progressive poor to run their small businesses, replacing unregistered moneylenders since decades. MFIs are indirectly fulfilling the purpose of financial inclusion by providing easy access to financial services to the unbanked.

On Nov 8, 2016 Government in its abrupt decision termed Rs 500/- and Rs 1000/- notes as 'not legal tender' anymore took most of us by surprise. Talking about MFI sector, approximately 85% of the transactions were in cash. Approximately 85% of the currency was banned which led to the sharp drop in collection efficiency to 85% across the MFI industry. In the first few days after the announcement of demonetisation, lending came to a standstill, as there was an unforeseen liquidity crunch. Repayments were severely disrupted for the first few weeks of the announcement. Moreover there was perplexity amongst borrowers as people suspected a threat to their savings. People eventually queued outside banks to deposit and withdraw currency, which resulted in agony and time involvement. The limit of withdrawal of cash from the banks remained small during demonitisation, which added to the discomfort.

The MFI industry quickly geared up to take on the challenge to minimise the after effects of demonetisation. Midland Microfin was no exception. We immediately introduced cashless modes of repayment like acceptance of cheques and introduction of POS (Point of Sale) terminals in the branches. To facilitate disbursements, Midland Microfin has introduced various means of cashless modes like Aadhar Payment Bridge System (APBS), Bank Transfer through NEFT and looking for tie-ups for prepaid cards.

Reserve Bank of India, Ministry of Finance and other Govt organisations worked day and night to provide support to the eco system in wake of Demonetisation. MFIN and Sa-dhan also played a pivotal role in the support of Microfinance Industry. Investors, Creditors, ratings agencies also stood behind MFIs.

I must appreciate our customers who bravely faced the tough times. Further I also recognise the efforts of Midland Microfin Team for working really hard in this challenging period, which resulted in putting things back in control. I am confident that MFI sector will be back to normal very soon and continue to serve the bottom of pyramid.

**-Amardeep Samra**

## Promoting the JAM Trinity among the members

The **JAM** is short for **Jan Dhan Yojana**, **Aadhaar** and **Mobile**. The government is pinning its hopes on these three modes to deliver direct benefits of subsidies to India's poor and digitise the transactions.

In line with the same, Midland Microfin has initiated the JAM trinity in its operations. Aadhaar card is a mandatory KYC for the members & Contact number should be an updated one. Along with this, training is imparted to the members before disbursement. We motivate our members to open Jan Dhan accounts. We made this move with a view to make our members

enable to avail the multitude of subsidy schemes which the government has initiated to ensure a minimum standard of living for the poor and to deliver affordable financial products and services to them. It will also empower our members to make use of different cashless services i.e. BHIM application, UPI, IMPS etc provided by the National Payment Corporation of India. BHIM application makes members enable to do simple, easy and quick payment transaction using Unified Payments Interface (UPI). Anyone can easily make direct bank to bank payments instantly and collect money using just Mobile number or Payment address where IMPS offers an instant, 24\*7 interbank electronic fund transfer service capable of processing person to person, person to account and person to merchant remittances via Mobile, Internet and ATMs.



## Experience Sharing

### *Instead of believing false news & rumours, I trusted my Company ...*

I am Gurwinder Kaur from village Sheikhpura (Kurali Branch) & I am associated with the company from the last two years. I have availed a loan of Rs. 24000/- to expand my stitching business & fully utilised the same which further helped me to grow my business profitability. I am really thankful to Midland Microfin for the help and support. I really appreciate the supportive & disciplined behaviour of the staff. In this time, instead of believing on the false news & rumours, I trusted my Company. It is my trust on the Company which made my determination strong to motivate other members to pay their installments on time to maintain our good credit history. I value my relationship with the Company & hope this will continue in future as well.

### *Wish to stay connected with Midland Microfin Limited in future ...*

I am Meena Rani from Jakhal (Jakhal Branch) & I am associated with this Company from the last two years. It is with the support of Midland Microfin that I was able to start my Boutique business. This time I took a loan of Rs 20000/- for buying material for my boutique. Now I can fulfil the needs of my family. Growth in business has helped me to improve the financial condition of the family.

I am really thankful to Midland Microfin & wish to stay connected in future as well so that I can further grow my business.



### *Staff behaviour with our members is respectful & warm ...*

I am Kulwinder Kaur w/o Sukhwinder Singh, Village Gobindpur (Samana branch). I have taken a loan of Rs 20,000/- for first time from Midland Microfin Ltd for expansion of my grocery shop. It has been 6 months that I have been associated with this Company & my experience is very good. I really wish to stay connected with the Company & hope to avail further loan facility to expand my business. Company's staff behaviour with our centre's members is respectful. Company always imparts its valuable support to us. This is the reason that even in the time of demonetisation, we did our best to pay the installments on time to show our loyalty to them. We really want to appreciate the warm behaviour of Company's Head Office staff as well.

## RBI NEWS & UPDATES

### **RBI fixes 9.41 per cent base rate for NBFC-MFIs**

It was communicated by Reserve Bank in its circular dated February 7, 2014 issued to NBFC-MFIs regarding pricing of credit, that the average of the base rates of the five largest commercial banks shall be advised by the Bank on the last working day of every quarter, for the purpose of arriving at the interest rates to be charged by an NBFC-MFI to its borrowers in the ensuing quarter. So for the quarter beginning January 01, 2017, RBI has fixed base rate it at 9.41.

### **RBI relaxes Prudential norms on Income recognition, Asset Classification**

The Reserve Bank of India on 21 November 2016 relaxed the prudential norms on Income recognition, Asset Classification and provision pertaining to advances in their Notification No : DBR.No.BP.BC.37/21.04.048/2016-17 dated 21 November'2016 which t applies to dues payable between November 1, 2016 and December 31, 2016

## Midland Microfin goes Digital !

Various cashless means i.e. POS machines, Cheque facility, APBS, NEFT/IMPS have been provided to facilitate the disbursement & repayment. Our members have shown remarkable interest in the same which is very encouraging for us.



### *Midland Microfin played a Leadership role in SRO (Self Regulatory Organisation) in implementation activity*

*Demonetisation has come up as the double whammy for the microfinance institution as this industry is cash intensive. Few social group leaders & fake news instigated the rumours of Loan waive off or loan holiday among the members.*

*Midland Microfin played a leadership role in SRO & met with administration staff at district level in order to streamline the situation at field. Along with this, Midland Microfin has also extended the support to different MFIs in our area of operation.*

## DIWALI CELEBRATIONS

This time we made Diwali real happy for the employees by celebrating this at our office in a family like atmosphere. A volley of fun filled activities were planned. The festivities included Cubical decoration, word Antakshri and an amazing question answer round for the tags accompanied by the delicious lunch to heighten the Diwali spirit!



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