FINER
News & Views

FEDERATION OF INDUSTRY & COMMERCE OF NORTH EASTERN REGION

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Microfinance stands as one of the most promising and cost-effective tools in the fight against global poverty

Jonathan Morduch

MICRO FINANCE

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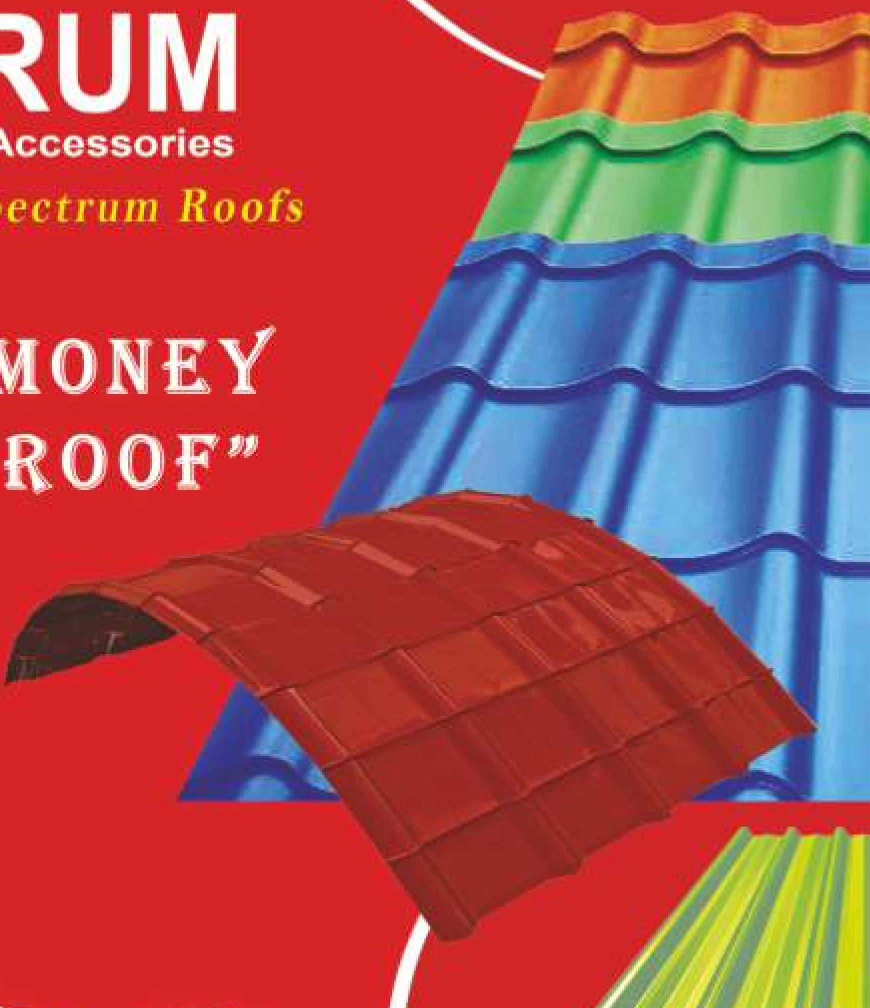

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☐	Micro	Investment which does not exceed Rs. 25 lakh	3,000	5,000
☐	Small	Investment more than Rs. 25 lakh but does not exceed Rs. 5 crores.	4000	11,000
☐	Medium	Investment more than Rs. 5 crores but does not exceed Rs.10 crores.	6000	17,000
☐	Large	10 Crs to 100 Crs Investment	15000	45000
☐	MEGA	100 Crs +	20000	75000
☐	Chamber of Commerce / Association of Industry	Not Applicable	6,000	11000
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President's Desk

Microfinance has become a real means of reducing poverty by improving both people's standard of living and economic self-sufficiency, as well as offering a pathway to education, healthcare and equity between men and women.

Micro-financing is not a new concept. Small microcredit operations have existed since the 18th century. It is a type of banking service that is provided to unemployed or low-income individuals, or groups who otherwise have no other access to financial services. Ultimately, the goal of microfinance is to give low-income people an opportunity to become self-sufficient by providing a way to save money, borrow money and get insurance.

Micro-financing provides options to customers with limited resources to promote participation in productive activities or to support a small business. While institution participating in the area of microfinance is most often associated with lending, some microfinance companies offer additional services, including bank accounts and insurance. Additionally, some institutions provide information in the areas of financial literacy, such as understanding interest rates and managing financial risks.

Northeast is the most financially backward region in the country. The banking and finance infrastructure in the region is very weak, with Northeast lagging in almost all critical banking outreach indicators. However, Micro-finance in North East Region is progressing gradually. Organisations like RGVN-Microfinance, NEDFI, Nightingale Finvest Pvt. Ltd., Grameen Developmnt & Finance Pvt. Ltd. Ajagar Microfinance, etc has been instrumental in facilitating various activities under microfinance sector in the North East Region.

Since the Northeast region is diverse, multiple delivery channels including Self Help Groups, Bank linkage, direct Micro-Finance Institutions, Indigenous Institutions and Business Correspondent model is required. The credit flow to MFIs has to be improved by better information exchange between banks and MFIs. This in result will improve the Micro-finance scenario in the North East Region.

With regards,

Pabitra Buragohain

Chairman, FINER

FINER ACTIVITIES

Tezpur University:

Shri. R.K. More, Director, Federation of Industry & Commerce of North Eastern Region, addressed the MBA students of Tezpur University on 25th of July, 2017 on the day of their induction. FINER is shortly going to sign an MoU with Tezpur University.

GST Meet:

Interactive session with FINER Members on Goods and Services Tax (GST) held on 22nd of July at Hotel Cygnett Inn Repose. The session was conducted by Shri. Vinod Kumar Lohia, Chair, Taxation Committee of FINER and addressed by Shri. O.P. Agarwalla, CA, Past Chairman of ICAI, Guwahati who enlightened the members on various aspects of GST.

Income Tax Rally:

FINER was represented by Shri. Rajeev Goswami and Shri. Amitabh Ray (seen above with Shri L.C. Joshi Ranee, Chief Commissioner of Income Tax, NER) in the Walkathon Rally on 24th of July, 2017 to celebrate the 157th year of Department of Revenue, Government of India's existence on the "Income Tax Day".

Mega Industries Meet:

Meeting of FINER Directors with Members and representatives of Mega industries hosted by NEIIPP Committee of FINER and presided by Shri Pabitra Buragohain, President, FINER on 28th of July, 2017 at FINER office to discuss NEIIPP and issue related to post GST scenario.

MICRO FINANCE IN NORTH EAST

Mantu Nath Sarma

"While building a cohesive society, we have to address the root causes of poverty, illiteracy, unemployment and deprivation and try to find lasting solutions for enlightening the society. The concern of MFIs is always for empowerment of less privileged women in rural, semi-urban and urban areas and persistently encouraging them to be successful entrepreneurs. Lack of entrepreneurship, low credit absorption capacity, geographical remoteness and infrastructural deficiencies are sometimes, attributed as reasons for low credit dispensation in the region. In the region small loans to poor are not economically viable to the banks and also most of the areas are beyond the outreach of banks and other Micro finance institutions because of poor infrastructure."

The question arises is why microfinance is at all necessary when number of public sector banks, private sector banks, co-operative banks and other financial institutions are functioning in the country. The idea of microfinance has emerged in the country due to failure of institutional agencies in providing credit to the poor. Microfinance is a device through which credit is supported along with training and other related financial and non-financial services to the poor who are in a position to undertake economic activities with limited resources and skill. Micro-finance is the provision of financial service to low income clients or solidarity leading groups including consumers and the self-employed who traditionally lack access to banking and related services. The bank branches of public sector banks or private sector banks or regional rural banks or co-operative banks or other financial institutions are not in the remote corner of N.E.States, poorest, most strife prone areas where infrastructure is very poor. In the wake of on-going banking sector reforms and structural adjustment process, the formal financial sector shifts its approach from 'mass banking' to 'class banking'. As a result the banking sector gradually moves away from its social objectives adopting policies of withdrawing concessional rate of interest and demanding collateral even from the small farmers. In view of this there is huge gap of credit and the areas remained undeveloped in comparison of other areas. In the early 90s, NGOs tried to accelerate development in the toughest corners of N.E.Region and venture into the poorest and most strife prone areas by providing credit for generating more income and created markets where non-exist. However, restriction on carrying out the activities of micro credit by NGOs was imposed by State Governments and compelled the NGOs to switchover to NBFCs. Facing the problem of raising fund (capital) required for meeting the demand of borrowers from banks and financial institutions was also one of the cause of NGO becoming NBFC. Despite the significant achievement of commercial banks and co-operative banks in terms of geographical outreach and financial coverage, a vast segment of the population of the country still remains outside the purview of financial services, although they have promising investment ideas that can turn into profitable initiatives. The incidence of such exclusion has also been highlighted by various studies which demonstrate that the formal institutional agencies do not consider the poor bankable due to their inability to meet the eligibility criteria, including collateral.

Microfinance has emerged as an effective tool to fight against poverty, empower the socially marginalized poor and strengthen the social fabric. The basic features of microfinance can be stated as follows:

a) Microfinance means banking for the poor and the asset less persons.

b) The loan amount is small

c) Loans are offered without collateral.

d) High frequency of repayment.

e) Loans are meant for income and asset generation.

f) Lending is linked with group approach with certain terms and conditions.

The term 'micro credit' is different from 'micro finance', although these two terms are used interchangeably in the context of development studies. The former refers to small credit given to the borrower, and the latter refers to not only micro credit but other related services including saving, insurance, counseling, training, capacity building etc.

The impact of micro-finance had been studied at individual, household, enterprise and community levels by different scholars and organization in different times. Various studies both at micro and macro level, have proved that the system of micro finance has benefitted the poor through generation of income and employment which in turn lead to improve living standard of SHG/JLG members. It is also argued that micro credit empowers women. But critics say that micro credit has not increased income instead it has driven poor household into a debt trap. Micro-finance must be linked with the objectives of capacity building and asset creation, otherwise the funds are likely to be used for non-productive purposes. Microfinance is supposed to influence the saving habit of the people. It involves awareness, creation of financial literacy, mobilization of rural saving, capacity building, debt redemption, creation of entrepreneurial capability, generation of income and acquisition of household assets, etc.

As per information made available in an article written by an RBI official that out of 5.92 lakh villages in the country, only 0.40 lakh villages are having bank branches i.e. approximately 92% of villages is excluded from the formal banking services. In order to cover the remaining villages, there is need of MFIs to provide credit for income generating activities. Further according to census, Government of India 2011, only 9.14 crore households are availing banking services, which means only 54.5 percent of the rural households enjoys the banking facilities and, therefore, there is a need for accessible financial services.

The MFIs of N.E.States are functioning in un-served and underserved areas for which sufficient debt fund is required to increase their outreach as well as portfolio. The debt funds and equities available to MFIs of N.E.States are from North Eastern Development Finance Corporation Ltd (NEDFi) and to some extent by Small Industries Development Bank of India (SIDBI). These two financial institutions have shown their keen interest in providing fund to MFIs and MFIs of N.E.States are also depending on these two financial institutions. To compete with big and medium-size MFIs, the financial support from commercial banks is must; otherwise it may not be feasible to develop the activities of microfinance. Microfinance Institutions not only develop the living standard of poor and low income group of the society but also create jobs for un-employed. The success and economic viability, the MFIs mostly depend on sound institutional policies, viable leadership and sound socio-economic framework.

Microfinance is having substantial impact in stimulating income generation and productive employment, enhancing capacity building and empowerment of women. Through microfinance women is accessible to financial services and be able to depend on herself. Microfinance has been considered as a move towards 'financial inclusion. Women who was not interested earlier in banking services, now have a good role in financial market and support their families. . The microfinance institutions now credit the loan amount in the bank account of respective clients and as a result, the poor women in the rural areas also would be familiar with the banking system. As the perfect system that would protect the deposits of poor clients they may not face a risk. Across the World, women face significant barriers to joining the workforce – and the cost in the economy is immense. Global economic output would increase by up to $ 28 million by 2025 if women were to participate in the economy at the same rate as men, research shows. Cash in women's hands has a ripple effect on development outcomes. Evidence shows that women spend more on children's food and education when they have more control over household income.

International Finance Corporation (IFC) helps in empowering women in developing countries – not only as consumers but also as employees, entrepreneurs and business leaders. Their approach is comprehensive; they create global partnerships to encourage hiring and improve working conditions for women. IFC's gender initiative now called the Women in Business Programme, encouraging projects to help local women owned businesses, help expand access to finance for women entrepreneurs and work with clients to provide business skill and leadership training to women. To expand lending and help to women in India, IFC agreed to provide a $50 million loan to India's Yes Bank.

In N.E. States, Rashtriya Gramin Vikash Nidhi (RGVN) is one of the pioneer Micro Finance Institutions which provided micro credit to borrowers. Subsequently, Nightingale Finvest Private Ltd., Gramin Development Finance Pvt.Ltd, UNACCO Financial Service Pvt.Ltd, SATRA Development Finance Pvt.Ltd , YVU Financial Services Pvt. Ltd. , Ajagar Financial Services Pvt. Ltd, Chanura Microfin Manipur, Prochesta WSDS, VVD are carrying out microfinance activities in N.E.Region. In the meantime other NBFC-MFIs from outside the NE States have opened their branches in N.E.States and are carrying out microfinance activities. However, their activities are found in urban and semi-urban areas. There are 280 NBFC-MFIs in the country and out of these considered 131 as big size 120 as Middle size and 29 as small size NBFC-MFIs in India as on 31.03.2017. Only 9 NBFC-MFIs are local Micro Finance Institutions of N.E.States. In N.E. States, 22 NBFC-MFIs including 13 MFIs from outside are carrying out their activities. Two big size NBFC-MFIs i.e. BANDHAN outside N.E.States and RGVN of N.E.State have since been upgraded as Banks and deleted from the list of NBFC-MFI. Nightingale Finvest Private Ltd venture into the poorest and most strife prone areas. It create markets where other MFIs don not exist. It helps the investor, regulatory bodies and other gaps that impede development.

As per data made available by MFIN, the information in respect of microfinance in India is given below:

			Increase
4. Number of branch offices	FY 2013-14	= 6,429	
	FY 2014-15	= 7,452	16%
	FY 2015-16	= 9,100	22%
5. Total Number of employees	FY 2013-14	= 45,890	
	FY 2014-15	= 59,825	30%
	FY 2015-16	= 82,751	38 %
6. Number of clients (Crore)	FY 2013-14	= 1.58	
	FY 2014-15	= 2.16	37%
	FY 2015-16	= 3.12	44%
7. Loan amount disbursed during (Rs. crore)	FY 2013-14	= 22,756	
	FY 2014-15	= 36,095	59%
	FY 2015-16	= 62,592	73%
8. Gross Loan Portfolio (Rs.crore)	FY 2013-14	= 16,557	
	FY 2014-15	= 27,886	68%
	FY 2015-16	= 52,795	89%
9. No. of borrowers in Assam	FY 2016-17	= 7.5 lakh	
10. Number of branches in Assam	FY 2016-17	= 250	
11. Number of employees	FY 2016-17	= 1,839	

MFIs, amongst regulated formal financial institutions, continue to provide the smallest size of loans and continue to do so. During the financial year 2016-17 while average loan outstanding per client grew by 18% and average loan amount disbursed per client grew by 21%, it remained under Rs.23,035/- per client. Analysis of OSS ratio of MFIs shows high efficiencies in MFIs industry. With an average OSS of 119% of the industry in FY 2015-16, it is noteworthy that small MFIs too have maintained an average OSS of 109% in FY 2015-16.

Nightingale Finvest Private Ltd and other few MFIs have operations in such areas, which are considered as un-served, hilly as well as in underserved areas. It is possible for Nightingale Finvest Private Ltd and other MFI only because of financial assistance provided by North Eastern Development Finance Corporation Ltd (NEDFi) with the blessing of which NFPL was able to come to the present stage. Also the strength of NFPL has increased with equity

support provided by NEDFi and SIDBI. NFPL try to accelerate development in the toughest corner of N.E. Region and venture into the poorest and most strife- prone areas and create markets where none exist. NFPL help close investment, regulatory and other gaps that impede development. The record of success has built trust in our ability to take on N.E. Region's most difficult challenges. We moved our people and offices closer to them, to help them promote prosperity in less-developed areas of N.E.Region. The purpose of our Company is the furtherance of economic development particularly in the less developed areas where sufficient formal financial services are not available. We intensify our focus on the poorest areas and conflict affected areas, expand opportunities for farmers, agri-businesses, trade, self-employment and mobilize capital for investment and to deliver on our vision.

11 NBFC-MFIs of N.E.States have formed an Association namely Northeast Microfinance Association (NEMFA) to jointly work for the overall development of the Microfinance sector in the region through close tie-up with stakeholders, administrations, regulatory bodies and other government machineries etc. These 11 MFIs are presently working in 46 districts of 6 States of N.E. Region and served 4,33,000 families against whom portfolio outstanding was over Rs.600 crore as on 31.03.2016. The main challenge faced by NBFC-MFIs of N.E.States is to convince the banks and financial institutions that the MFIs of the region are also equally potential, reliable and can be invested and financed. Therefore, it is essential to relax the leverage of borrowing norms for small MFIs of N.E.States from banks and financial institutions so that these MFIs also can get equal opportunity given to the MFIs of the outside NE Region.

The author is the Managing Director of Nightingale Finvest Private Limited, Guwahati and can be contacted at nightingale20006@gmail.com

MICRO FINANCE
THE GREY SIDE

Dr. Amiya Kumar Sharma

"Success is only the tip of the iceberg' so goes the saying. This implies that one may find a lot of not-so-justifiable steps being taken by the successful person - but hidden from the public eye. Thus, when a Bank makes a profit of over 100 crores in the first year itself after becoming a bank – a huge success by any standard- one has to look at the bottom of things. One has to analyse the balance sheet and see whether the company, after becoming a bank has or not stopped its MF activities."

To answer that question one has to look at the Micro Finance (MF) activities since inception. MF was started by Md. Yunus to 'help' the poor people. Affinity groups like SHGs were used to give the loan so that peer pressure and peer help could ensure the timely return. As the door to door banking raised the cost of operation and the loans were taken from the banking system at commercial rates, the beneficiaries / MF clients had to pay a high rate of interest – 40% to 50% per annum. The 'do-gooder' MF organisations charged the interest actually required to do the operation. While the good thing was that these hitherto unreached poor people could get loans, the bad part was that the interest rate had to be high as the govt. didn't try to subside the operation and the banks too gave loans at non - subsidized rate. However the ugly part was that there came a group of people and even institutions that saw the scope for enriching themselves at the cost of the hapless poor. They portrayed themselves as missionaries for poverty removal while in fact they were there to bleed the poor dry.

Thus the whole MF market became flooded with failed bankers, financiers and even international investors. It was an area to be exploited: get funds at 2-10% interest and lend them at 40-50% interest rate. Even small banks PSU Bank, DFIs, SIDBI, ICICI Bank gave huge amount of loans. The MF operators started competing amongst themselves in the same localities instead of venturing out and as a result created a situation when a crisis would be imminent.

It happened in Andhra Pradesh and after a number of suicides committed by the MF clients the govt. came down heavily on the MF functionaries and nearly arrested some of them. This is when RBI intervened and made some regulations under the Malegam Committee report. The ugliness of MF operators was revealed. A number of banks like the ICICI bank, SIDBI lost money lent to the MFIs. A large number of good NGOs and good MFIs who had

genuinely tried to help the poor lost money because of the restrictions imposed.

But has the society learnt anything from this? The situation has not changed much. The crooks always find a way out since the govt. regulation can't keep up with their game plan. Today we have a number of MF organisations who have become Non-Banking Financial Companies (NBFCs) to be regulated by the RBI. Some of them have also become banks. Once the MFIs become bank, the society may think that everything would be alright now. Let us pause a little and inquire.

The new banks have now a handle to get deposits at 4 - 5% and lend the same at 26%. It is no wonder that many leading private sector banks have started such MF operations lending at rate higher than 25%. Cost of funds/deposits of such banks can't be more that 10%. These banks have found a way to extract great income from the borrowers in the name of microfinance. Even the local RBI office is not aware of the implication of allowing these banks to open micro finance branches. If one examines the rush for these MFIs to become banks one may find that it is the earnings that propel them to the sector.

Thus, when a bank makes a profit of over 100 crores in the first year itself after becoming a bank- a huge success by any standard- one has to look at the bottom of things. It was the MF operations of the company which became all the more profitable after becoming a bank which helped it to raise deposits at low cost. Unsuspecting individuals would take this as an acceptable business proposition because RBI seems to give green signal to this. RBI is a govt institution but not the representative of the society. The relevant question here is while some poor farmers, SHGs are getting loans at 10%, 7% or even at 4%, should the others be borrowing at 26% just because they have no access to a genuine bank? How many well-off individuals would borrow at 26% year after year? Just because the MFIs have become banks, shouldn't the govt put a regulation that interest must be brought down such that the poor actually get the benefits?

Nobody seems to be raising these questions. RBI is very happy now that it doesn't have to bother about providing loans to the poor at normal interest – the banks and NBFCs having taken care of that. If they have made profits then this should bring some relief to it – as some of its blue eyed banks have been taken for a ride by many. Sorry, did someone say that these were securitized loan which is the reason why the interest was very low while MF loans are unsecured and have to be given at 26%? One should know that the recovery rates are never below 97% in the MFI sector.

C K Prahlad spoke about "business at the bottom of the pyramid" and definitely there is good business apparently using the vast mass of the poor and the unreached. But one can't support such business which the MFI and the neo banks have been doing – extracting the surplus for their own profits. Suicide may have come to a halt because of the restrictions under Malegam Committee of RBI. But the exploitation still continues.

Lastly, the role of inclusive institutions in the development of a nation has been well- researched upon. This is how the Western Europe, USA, Canada, Japan, Australia, New Zealand developed. India has had mostly inclusive institutions. But the institutions like MFIs have become highly extractive not inclusive and hence should have no place in a country like India. It is the inability of the RBI/the govt. to provide institutional support that a new breed called MFI and Banking MFIs has emerged. These must be regulated with a heavy hand before they suck the blood out of the poor borrowers who have been abandoned by the traditional banks and the government.

The author is the Executive Director of Rashtriya Gramin Vikas Nidhi (RGVN), Guwahati and can be contacted at amiya.rgvn@gmail.com

SUMMARY OF SCHEMES
implemented by
Industries & Commerce Department
Government of Assam

सत्यमेव जयते

Source : General Manager, DIC, Kamrup

(1) Prime Minister's Employment Generation Programme (PMEGP)

The Ministry of Micro, Small & Medium Enterprise (MOMSME) has launched a credit link subsidy programme called PMEGP for generation of employment opportunities through establishment of Micro Enterprises both in Rural and Urban areas. KVIC is the nodal agency for implementation of the scheme. The scheme is implemented by three agencies KVIC, KIVB and District Industries and Commerce Centre (DICC). KVIC and KVIB look after implementation of the scheme in rural areas only, whereas DICC looks after its implementation in the urban as well as rural areas.

All categories of beneficiaries of States of North Eastern Region get 25% subsidy under Urban area, and 35% subsidy under Rural area and the beneficiaries have to contribute 5 % as promoters contribution.

Ceiling of limit of project cost :

The maximum cost of the project / unit admissible under manufacturing sector is 25 lakhs and for services sector it is 10 lakhs only.

The application for loan under the scheme is to be submitted to the portal www.kviconline.gov.in

(2) Sarothi :

The entrepreneurs of the state, more particularly the 1st generation entrepreneurs are facing problem to convert their ideas into reality due to lack of adequate resources in the form of equity, loans etc. To resolve this hurdle the State Govt. has launched a new scheme called "Chief Minister's Startup Fund "Sarothi".

The basic objective of the scheme is to provide financial assistance in the form of loan with interest subvention through a Assam Gramin Vikash Bank. The loan so availed by the beneficiaries will be supported by the benefit under the scheme. Priority shall be give to the applicant having any kind of skill development training. Defaulter to any bank of financial institution will no be eligible to apply under the scheme.

(3) Bipani :

The objective of the scheme is to provide a platform for the Micro and Small Enterprises to participate in different Trade Fairs and Event within the state, in the country and abroad for marketing their products and also getting exposure.

The General Managers of the concerned DICC will arrange stalls in collaboration with the organizers of the event. There will be maximum of Rs. 5000/- per entrepreneur toward the stall rent which will be paid directly to organizers by cheque. In case of participants from other district a fixed lum sum grant of Rs. 500/- per day for the Trade Fair / Exhibition period will be provided to meet the travelling, food and lodging expenses etc.

(4) Mudra Scheme :

Background :

Most of the small & Micro units in the country are outside the preview of the formal banking system. Such units are therefor forced to borrow loans from informal sources. To bridge this gap Prime Minister's Mudra Yojana (PMMY) loan scheme has been designed to help the aspiring first generation entrepreneurs and exiting small business. SIDBI is the nodal agency for PMMY. Mudra stands for Micro Unit Development & Refinance Agency.

Brief Details :

Mudra Loans are extended by the Banks, NBFC's and MFI etc. up to Rs. 10 lakhs to income generating micro enterprise engaged in manufacturing, trading and service sectors. The Mudra loans are extended under following three categories:

1. Loans upto Rs. 50,000/- (Shishu)

2. Loans upto Rs. 50,001 to Rs. 5 Lakh (Kishore)

3. Loans upto Rs. 500001 to Rs. 10 Lakh (Tarun)

The website for Mudra : www.mudra.org.in

(5) Standup India:

The standup india scheme Is announced by the Govt. of India for financing the SC, ST and women entrepreneurs of the country. The entrepreneurs above 18 years of age can apply under the scheme. The objective of the scheme is to facilitate Bank loans between Rs. 10 Lakh to Rs. 1 Crore for setting up of green field enterprise. This enterprise may be in the manufacturing, servicing and trading. In case of non individual enterprises at least 51% of the shareholding and controlling stake should be held by either and SC/ST or women entrepreneur.

The scheme, which covers all branches of scheduled commercial banks will be assessed in three potential ways. The applicants can apply for this loan directly at the branch of through SIDBI's standup India Portal : www.stndupmitra.in or through lead District Manager.

(6) Industrial & Investment Policy of Assam 2014 :

The Government of Assam has enunciated the Industrial & Investment Policy of Assam 2014 w.e.f. 1st March, 2014 and the policy is valid for 5 years i.e. up to 28th February, 2019.

Thrust Areas:

Assam has a vibrant industrial base. From the oldest tea industry and huge onshore of production to the only Stock Exchange in the region and large presence of Banks and Financial Institutions, its industrial base spreads across a wide spectrum of existing industries in petroleum, Petrochemicals. Fertilizers, Textile, Cement, Paper, Plastic and host of products and services. But there is always scope for more. Amongst numerous options the thrust areas identified for investment are as follows :

1. Food processing and agro based industries

2. Mineral based industries

3. Bamboo based industries

4. Extraction and value addition of herbal medicinal and aromatic plants

5. Bio technology sector

6. Information Technology related activities

7. Hospitality industry and tourism etc.

Subsidy on Quality Certification / Technical knowhow :

The fee payable for obtaining BIS/ISO/FPO/AGMARK certification and fee payable for getting technical knowhow from recognized research laboratory/institutions like CFTRI, CIPET etc. by eligible unit will be subsidies to the extent of 75% subject to ceiling of Rs. 2.00 Lakhs per unit.

State capital Subsidy:

Educational institutions, research facilities, hospitals, nursing homes and public utility facilities from the non governmental sector shall be eligible for State capital subsidy @20% of the cost of PV modules up to 20KW in addition to the incentives, if any offered by the central government for PV modules.

State Capital investment subsidy for Micro units :

New Micro units will be granted State Capital investment subsidy @ 30% on the amount spent on workshop shed (only required for production activities), plant & machinery, cost of land, installation & internal electrification subject to maximum of Rs. 10.00 lakhs, subject to the condition that the application has not claimed similar subsidy under any other scheme of central/state government earlier.

Ease of Doing Business in Assam :

Govt. of Assam has enacted an Act called "The Assam Ease of Doing Business Act, 2016". The Act stipulates constitution of a "Single Window Agency" for speedy clearances for investment promotion in the state. A single window agency has started working and a single window portal called www.easeofdoingbusinessinassam.in is in the public domain and functioning.

Procedure :

1. Applicant shall register through Single Window Portal (SWP)

2. Application along with prescribed attachment shall be submitted online

3. On receipt of application, the system shall automatically forward it to the competent authority.

4. All competent authority shall be provided online access to the single window portal (SWP)

5. The competent authority may ask for additional information from the applicant only once, within first 3 days of application.

6. The applicant may file online for multiple clearances.

7. At each stage of the application an e mail and SMS alert shall be sent

8. Application shall be submitted with prescribed fees in prescribed manner to the single window agency (SWA)

9. The competent authority shall process and communicate the decision regarding approval or rejection of the request along with comments and upload the same in this system within the prescribed time limit.

RGVN (North-East) Microfinance

Ornamenting Business by providing Microfinance Solutions

RGVN (North East) Microfinance is a leading microfinance institute operating in the North-Eastern region of India which, is contributing to the improvement of the people in this region by facilitating better access to health, education and livelihood opportunities. It is the first and the only NBFC-MFI from the North East to be awarded the coveted Small Finance Bank stature from Reserve Bank of India, which was awarded to RGVN(NE)MFL on 31st March, 2017. RGVN(NE) MFL is committed towards the service of providing inclusive evolution for all sections of the society. It was set up in the year 1995 as RGVN-CSP and registered as a public limited company in 2008. Since its inception RGVN(NE) MFL have been focused on its mission of providing financial and other support services to the underprivileged sections of the society in the Northeast and have been striving hard to improve their quality of life. RGVN (NE) MFL registered its first success in the year 2010, when it received the licence from RBI to operate as an NBFC-MFI. Ever since there has been no looking back for RGVN(NE)MFL as it continued its march towards success by spreading its business over 8 states in the North Eastern region of India and West Bengal, with a network of 140 branches and touching and improving the lives of over 4.07 Lakh clients with a portfolio outstanding of Rs. 688 crore and a cumulative disbursement of Rs. 680 crore as on 31st March, 2017

About the flagbearer of RGVN

Rupali Kalita, Managing Director of RGVN(North East)Microfinance is an experienced development banker with an experience of over 33 years in the Banking and Financial Services sector. She has 20 years of experience in Retail Banking with LangpiDehangi Rural Bank as Senior Manager.

Ms Kalita, has to her credit a degree from Boulder Microfinance, Turin, Italy besides various other certifications from different institutions. She has been trained in Microfinance from Basix and has exposures to ASA, BRAC premier institutions in Bangladesh and in Amana Ikhtiar, Malaysia, Bank Patanian and Bank Simpanan, Malaysia, to name a few. She has also attended a certificate course on Strategic Leadership in Financial Inclusion from HARVARD, USA in March 2016.

Madam Kalita joined the RGVN Society to head its microfinance programme in 2004 and was instrumental in successfully turning around the operations of a loss making RGVN-CSP into a profitable NBFC, within a period of 2 years by streamlining the existing processes, instilling financial discipline and boosting the staff morale. She was instrumental in reducing the Portfolio at Risk in less than 60

days from a whopping 23% to a miniscule 0.13% and also in reaching out to a total of 4.07 Lakh clients in Mar 2017 as against 30,939 in 2004.

The expansion of outreach of the RGVN (NE) MFL to 8 states of North East and North Bengal with a network of 140 branches and the consistent growth in the business with a total portfolio outstanding of over Rs. 688 crore as on Mar 2017, as against Rs. 40 Lakh in 2005, has only been possible for her able leadership and dedication, which has further enabled the transformation of RGVN (NE) MFL from an NBFC-MFI into a Small Finance Bank called North East Small Finance Bank, the only NBFC-MFI from North East to receive this coveted stature from the Reserve Bank of India. She has been working for the empowerment of the underprivileged women in the rural and urban sector through financial intermediation by persistently encouraging them to form up their confidence and to emerge as successful entrepreneurs.

Spreading happiness by providing services

Since inception, RGVN (NE) MFL has been motivated on their mission of providing financial and other support services to the underprivileged sections of the society in the Northeast and has been striving hard to progress their quality of life. They registered their first success in the year 2010 by receiving the license from RBI to function as an NBFC-MFI.

RGVN (NE) MFL, efficaciously assessed this gap in the delivery of financial services to the last mile and assumed the fact that if this Eastern Corner of India, which is amusing in traditional economic activities, is provided with the right financial assistance and guidance, then it can advance lives of the people in this region and can help in alleviating poverty.

Meanwhile,RGVN (NE) MFL has been focused in bridging the gap in the financial services protracted to the weaker section of the society viz. small traders, farmers, marginal agriculturist and micro entrepreneurs, who are waiting at the fringes for financial services to come their way by providing them micro-loans for various income generating purposes.They have been extending financial support to them by providing loans for Agriculture & Allied activities, Handloom & Handicrafts, Petty Trades and other welfare purposes like Water & Sanitation, Education, Marriage, and Health. Besides providing financial support RGVN has also been providing various support services to their clients which includes conducting Health Camps and Animal Health check-up cum treatment camps, Skill Development Training and various social awareness programmes for their clients.

Boosting Future Outlook

From a non-descript microfinance institution to becoming a Small Finance Bank, RGVN (NE) MFL has,since then, traversed a long way, braving all hurdles and overcoming all challenges that come in their way. From a small NGO, they became a bank, an RBI regulated financial institution having over 4 Lakhs women clients under their realm, providing employment to around 1000 graduates from North East Region and thereby touching and helping over 2 million lives.

They have already received RBI's nod for setting up 164 bank branches spanning across 9 states, including all the 8 states from North East and the state of West Bengal. They are now targeting to transform themselves into the leading Small Finance Bank from the North East. RGVN (NE) MFL shall now be the promoter of the Small Finance Bank, and it will be transformed into a CIC and all its assets and liabilities shall be transferred to NESFB by way of Slump sale. The networth of RGVN(NE)MFL stands at Rs. 246 crore after having raised an equity amounting to Rs. 97.33 crore from SIDBI Venture Capital (Rs. 40 Cr), RNT Associates (Rs. 28.33 Cr), Pi Ventures (Rs. 20 Cr) and NMI (Rs. 9 Cr). Thereby gratifying the minimum equity criteria and thus making the Bank domestically owned with the ratio of domestic to foreign equity 52.16% and 47.84%.

Thus, as RGVN (NE) MFL progressively inch closer to charmas a Small Finance Bank. They are now emphasizing on developing a robust IT infrastructure which shall ensure the smooth functioning of their banking processes, strong policy framework which shall guide their operations, a dedicated team of professionals who can carry and uphold the reputation of the organization. Currently they are striving to yield it to greater heights alongwith a qualified and vibrant Board,which can escort the company organization as it steps into newer terrains and nurture it with their good governance.

MICROFINANCE : THE PRIME-MOVER

SUCCESS STORY - Anima Pegu Taye

Anima Pegu Taye of Dhemaji in Assam was into weaving since 2007 but she operated on a very low scale due to the lack of funds. However she approached RGVN (NE) MFL for her first loan in the year 2010. Her first loan from RGVN (NE) MFL was for an amountof Rs. 8000. She invested a part of the loan amount in developing her existing business and invested the remaining portion for cultivating Muga. She repaid the 1st loan within the stipulated time from the profit she earned from her weaving business.

After having successfully repaid the first loan, Mrs. Pegu availed a second loan in 2012 for an amount of Rs. 10,000. This time, Mrs. Pegu, besides investing the amount in her weaving business also kept aside some amount to buy a hand operated loom. During the year she was able to participate in various handloom fairs organized all over Assam by the Government and was able to achieve much success in each of these fairs by selling her woven products.

After the successful repayment of her 2nd loan, Mrs. Anima Pegu Taye availed two more loans for Rs. 15,000 and Rs. 20,000 respectively, which she invested in buying more hand operated looms and in further enhancing her already existing business. Mrs. Anima Pegu Taye is currently in her 4th loan cycle and an owner of 10 such hand operated looms. In addition to having a successful business, Mr. Pegu has also provided employment opportunities to 7 more women in the locality who now works for her weaving business. The clothes that she weaves have not only been sold in Dhemaji but also in other parts of Assam and the North Eastern States like Arunanchal Pradesh, Nagaland, Manipur. Besides she also had the chance to participate in the National Level Fairs in 2015.

Currently Mrs. Anima Pegu Taye besides owning 10 hand operated looms also has 6 tent houses which is run by her husband and have been also been able to establish herself as an skilled Muga cultivator. She has now expanded her scope of business activities and has also started weaving 'ERI' clothes. She believes that the success that she has achieve today is because of the financial assistance that she received from RGVN (NE) MFL at a time when she was in dire need of funds and she is very grateful for the same.

RURAL MICROFINANCE

challenges and opportunities in North East

Hiren Kalita

Growth of Micro finance in North Eastern state is much younger than the other part of India. Cliental outreach and loan outstanding Portfolio which are the main indicator of the microfinance operation, are very much low in comparative to the rest of India. The Regional out reach of the total client base 399 lakh, Southern region alone contributes to 39% followed by 20% each in East and Central Region whereas Northeast has the least client outreach numbers with 3% only. The state wise client outreaches of North East of the total client base 10.21 lakh, Assam alone contribute to 69% followed by Tripura and Manipur by 10% and 9% respectively. Nagaland has least client outreach number only 0.4%.Table: 1

Table: 1

State	Client Outreach (In lakh)	**Loan Outstanding** portfolio (In Cr)
Assam	7	1013
Tripura	1	7
Manipur	0.88	134
Mizoram	0.65	17
Sikkim	0.28	34
Meghalaya	0.19	2
Arunachal Pradesh	0.17	49
Nagaland	0.04	
Total	10.21	1503

In case of loan outstanding Portfolio, South region still dominates the overall loan portfolio outstanding of MFIs with 40% followed by Central with 19%. East and West have a share of 18% and 14% respectively. While North and Northeast have least portfolio share of 7% and 2% respectively. The state wise portfolio outreaches of North East of the total portfolio base 1503 Cr, Assam alone contribute to 67% followed by Mizoram and Manipur by 11% and 9% respectively. Nagaland has least client outreach number only 0.3%.

In the year 2016-17, national level Gross Loan Portfolio in Urban areas is `45685 crore which constitute 72% whereas the share of Rural areas is `18167 crore which constitutes 28%. North east regional level rural – urban level data is not available, but it is easily imagine that rural area loan portfolio of north east region is much lower than the nation level. If we considered the national level data then only 420 Cr Loan outstanding shares in rural area of North East.

The share of rural clientele which was 69 % in 2012 decreased to 56 % in 2014 and has drastically come down to 33 %. The proportion of rural to urban clients for the year 2014-15 is 33% to 67%. In the year 2015-16, there is a slight improvement in the share of rural clientele which increased to 38% because of exclusion of *Bandhan*. Considering this data, 3.9 lakh rural clients get microfinance services in the North East Region. As per *Census of India 2011*, total rural population of North East states is 327, 71,156. It means that only 1% of total rural population has able to get the Microfinance service in rural north east as on today.

Present trend shows that the business models of MFIs are becoming urban centric in order to minimize operational expenses and maximize their operational efficiency so that regulation on margin cap is complied and a reasonable profitability is maintained. Most of the Microfinance Companies have avoided rural microfinance due to the several risk factors.

Though the primarily microfinance was a social objective for most of the Microfinance Institution to provide financial service to unserved and underserved poor household who live in rural area but gradually it is converted into profit driven microfinance operation. During last two year, many large national levels MFI have expanded their exposure to the North Eastern Region. But they have concentrated their operation only in urban area, mostly in Assam. They have opened one or two branches in other part of NE Region for the namesake to show their geographical presence. Their rural exposure is very limited. The local MFIs, base in North East Region, able to expand their operation to the remote part of the region. RGVN(NE), Nightingale Finvest Pvt. Ltd, Grameen Development Finance, Satra Development Finance Pvt. Ltd., UNACCO, YVU, PROCESSTA, Chanura Microfinance, WSDS, SEVA, Ajagar Finance are few of them. But numbers as well as size of such MFIs are very limited.

Remote geographic local, low population density, disaster prone area, unstable political environment, diversified communities; limited commercial activities are the main hurdle in expansion of Rural Microfinance in North East Region. Rural populations in North eastern states are mainly engaged in small-scale agriculture or agriculture-related activities and are generally poorer than their urban counterparts. Remote location, Low population density, small average loans, and low household savings, which increase the transaction costs of the MFIs. On the other hand, lack of infrastructure (communications, electricity, transportation, etc.), limited social services (education, health, etc.), and low integration with complementary markets result in highly fragmented financial markets that involve high costs of overcoming information barriers and limit risk diversification opportunities. Seasonality of agricultural production and susceptibility to natural disasters (such as flood, drought and disease) heighten the probability of covariant risks (in prices and yields) affecting client incomes and add to the costs of MFIs. Unstable political situation, like *dharna, Road block* also interrupted the field operation of the MFIs which created over due in loan repayment.

The combination of these specificities leads to increased transaction costs and risks for any MFIs wanting to serve rural clients. For these reasons, formal financial institutions (such as commercial banks) have largely avoided serving rural areas. In many instances, the only financial services available are provided by informal agents or mechanisms, which offer a narrow range of financial services to limited customers. Lack of access to credit service at a reasonable cost leaves many poor and low-income households dependent on very costly, short term credit from money lenders.

Presence of larger MFIs in the urban market of North East Region has led to increase the competition for existing small MFIs. No doubt, competition is bringing significant benefits to clients as MFIs become more customer-oriented and interest rates become more attractive. Also, competition brings innovation in products and delivery mechanisms, deeper market penetration, increased efficiency, lower prices and better service. However, competition can also have negative implications, as clients flooded with microfinance loan, may be resulting in a significant number of clients to become over-indebted and default on their loans which may be created a major risk for the small MFIs. In this competitive pressure, small MFIs can expand their operation to the rural area. By developing demand-driven products and services, and using cost-effective delivery mechanisms and technologies can be address the constraints to rural microfinance.

State & Central Government can play a vital role through their Apex institution like NEDFi, SIDBI NABARD, Assam Finance Corporation and Assam Cooperative Apex Bank Ltd. to make rural microfinance a successful tool for poverty reduction of poor household of the North Eastern Region. To build the supply of financial services, the emphasis of Government intervention is on building the capacity of MFIs who provide rural microfinance services to respond to demands from rural households. Institutional capacity to deliver financial services efficiently and achieve high portfolio quality can be strengthened by supporting cost-effective training and technical assistance to rural base MFIs and by providing performance-based grants to help improve management information systems and cover costs of reaching out to new clientele in rural areas. Provision for low cost and subsidize fund for rural microfinance can also encourage the MFI to expand their operation to the rural area of North East Region.

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GST: Payment of Tax Reverse Charge on receipt of supply of specified goods and/or services

O.P. Agarwalla, C.A.

PAYMENT OF TAX ON REVERSE CHARGE BASIS U/S. 9(3) OF CGST ACT

GST laws has come with provisions of taxation reverse charge basis. It case obligation of paying taxes by the recipient of supply of goods, services or both. Following two types of provisions have been enacted.

1. Reverse charge to be paid on supplies of specified goods and or services.

2. Reverse charge to be paid by registered person on receipt of taxable supply from unregistered persons.

Subject matter of this article is confined to the provisions relating to tax payment on reverse charge basis on receipt of specified goods, services or both. To begin with, at first we should look into the provisions under CGST Act and under IGST Act.

Section: 9 (3) of the CGST Act, 2017:

The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

Section: 5 (3) of the IGST Act, 2017:

The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both. From the above provisions, it is clear that the provisions of tax payment on reverse charge basis will be applicable subject to the following conditions:-

1. There must be an inter-state or intra-state supply of goods or services or both by a person.

2. The said supply must be a supply of taxable goods or services or both. In case of exempted and nil rated supplies no tax is liable to be paid.

3. Such goods or services or both must be specified for this purpose by the Government.

4. The liability to pay tax will be of the recipient. All the provisions of these Acts shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply.

First point to be kept in mind that there must be a supply. The scope of the term supply has been discussed in section 7 of the CGST Act and the said section is applicable *mutatis mutandis* under IGST Act. Unless and otherwise the transaction falls under the ambit of 'supply', no question arises for payment of tax neither in forward charge system nor in reverse charge system.

Section 9(3) does not levy any additional tax, it merely shifts the burden of payment of taxes from the suppliers to the recipients. Tax under section 9(3) is not applicable on the supply of nil rated and exempted supplies.

The Government has issued two separate notifications bearing distinctive nos. 13/2017 Central Tax (Rate) and 04/2017 Central Tax (Rate) under CGST Act specifying respectively the goods and services, receipt of the supply of which, will attract tax on reverse charge basis. Similar notifications have also been issued under SGST Acts and IGST Act.

Being the provisions are same in IGST Act, needless to say that tax on reverse charge will be payable on receipt of the supply of specified goods or services, under all the three laws. To make it more clear, CGST and SGST will be payable in case of receipt of such supply in course of intra-state trade or commerce and IGST will be payable in case of receipt of such supply in course of inter-state trade or commerce. It is also worth discussing that applicability of section 9(3) is not limited to registered persons and is equally applicable on unregistered persons. It is immaterial that whether both the supplier and recipient or any of them or none of them are registered or unregistered under these Acts. The next point is to be kept in mind is that "all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both".

The words under inverted Discussion is warranted on the later part of section 9(3) of CGST Act and Section 5(3) of IGST Act, which contain that all the provisions of

this Act shall apply to RECIPIENT as if he is person liable for paying the tax in relation to such supply. What does these words indicate? Does it mean that by virtue of these words, the recipient will be deemed to be a supplier for all the purposes of the Acts or whether these deeming provisions will cloths the recipient in a manner so that his location will be treated as the location of the supplier? Though some learned consultants have opined as above, but I fails to appreciate the said interpretation. It seems more acceptable view that the words "liable for paying the tax" restricts the applicability of these deeming provisions to the provisions relating to payment of taxes, i.e. applicability of correct rate of tax, valuation of supply, due date of payments, interest etc.

Let us take few queries to understand the provisions:-

Query 1- If a Tezpur (Assam) based person books goods with a GTA on behalf of a Guwahati(Assam) based person and the GTA delivers the goods at Tezpur and collects transportation charges. Who is liable to pay tax and under which Act?

Answer:- Being the 'place of supply' and 'location of supplier', both are in the same State , it will be an intra-state supply of taxable service and accordingly the recipient of service, who is the Guwahati based person will be liable to pay CGST and SGST in the state of Assam.

Query 2 If a Delhi based person books goods with a GTA on behalf of a Guwahati based person and the GTA delivers the goods at Guwahati and collects transportation charges. Who is liable to pay tax and under which Act?

Answer:- Being the place of supply is "Assam" and location of supplier is "Delhi", it will be an inter-state supply of taxable service and accordingly the recipient of service, who is the Assam based person, will be liable to pay IGST in the state of Assam.

Query-3 If a Guwahati, (Assam) based registered person take some legal services from an advocate at Kolkata and pays the fees. Who is liable to pay tax and under which Act?

Answer:- Being the place of supply is "Assam" and location of supplier is "West Bengal", it will be an inter-state supply of taxable service and accordingly the recipient of service, who is the Assam based person will be liable to pay IGST in the state of Assam.

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Micro finance
in NER

Sarat Chandra Das

Microfinance is regarded as a financial market solution to the social problem of poverty. It promises poverty alleviation in a market-driven and cost-efficient way. Proponents argue that the financial inclusion of poor and low-income population segments will help them cope better with multifaceted problems of poverty, in particular their uncertain and low incomes. There are also opposite view as well leaving scope of argument that only microfinance, if not integrated with capacity building, skill enhancement, marketing linkage and other technical assistances can't do much which is considered to be true. The eco-system is crucial in such situation to facilitate and provide the required supports. There are countless success stories created by microfinance. And they form a globally recognized narrative about the power of financial services to transform lives in positive ways.

Microfinance" is often defined as financial services for poor and low-income clients offered by different types of service providers. In practice, the term is often used more narrowly to refer to loans and other services from providers that are known as "microfinance institutions" (MFIs). More broadly, microfinance refers to a movement that envisions a world in which low-income households have permanent access to a range of high quality and affordable financial services offered by a range of retail providers to finance income-generating activities, building assets, stabilize consumption, and protect against risks. These services include savings, credit, insurance, remittances, and payments, and others. Microfinance is regarded by many today as a key tool in the portfolio of international development policies. Microfinance is especially vibrant in the Global South.

There is a diverse set of actors in the microfinance sector that intersects the market and civic society. They include Microfinance institutions (MFIs), directly working with the clients - some are NGOs or cooperatives, others are strictly for-profit banks, many are in-between like Non Banking Finance Company – Microfinance Institutions (NBFC-MFIs). There are International financial institutions such as the World Bank or Asian Development Bank which are funders, standardisers, and political promoters of MFIs, Governmental development agencies and multilateral development bodies such as USAID or the International Fund for Agricultural Development that fund and promote MFIs, Foundations and philanthropic organizations like the Gates Foundation or Oxfam that fund and operate MFIs, Specialized for-profit microfinance investment vehicles (MIVs) and investment funds, which are often linked to major banks, Transnational private funding and advocacy organizations such as Accion, Oikocredit, or Kiva, Private, wealthy individuals funding and publicly promoting microfinance, a broader social movement, including small-scale middle-class investors and active enthusiasts.

The sector rose to global recognition with small loans for entrepreneurship—microcredit—but since at least the mid-2000s the term microfinance has

dominated. This rephrasing denotes more than a mere semantic change since microfinance also encompasses savings, insurance, and money transfers. At the same time, the justification for offering microfinancial services has shifted: the core mission previously was exclusively to help small enterprises with credit, but today financial services more generally are expected to alleviate poverty through participation in the financial sector. The new mission of "financial inclusion" emphasizes savings, sending money, and insurance services but also suggests that poor people's ubiquitous needs (such as housing, water, or consumption) should be served with credit (Mader and Sabrow 2015).

Credit still stands out as the core activity of the microfinance sector. The need of savings and other financial services are equally important, sometimes even more important. In India however, except banks no other form of Microfinance Institutions are allowed to provide direct savings services. The idea behind microfinance is that poor people above all lack the financial tools with which to help themselves out of poverty; with hard work and some borrowed capital, they should be able to grow. Muhammad Yunus likened microcredit clients to "bonsai people" in his 2006 Nobel lectures: To me poor people are like bonsai trees.... There is nothing wrong in their seeds. Simply, society never gave them the base to grow on. All it needs to get the poor people out of poverty [is] for us to create an enabling environment for them. Once the poor can unleash their energy and creativity, poverty will disappear very quickly".

The roots of microfinance are often traced back to the lending experiment begun in 1976 in Bangladesh by Muhammad Yunus, who founded the Grameen Bank in 1983 Yunus and the Grameen Bank won the Nobel Prize for Peace in 2006 and became the public face of microfinance globally. However, Yunus's story is not unique, and microfinance not quite as new, as the commonplace story suggests. Very similar lending experiments were going on in different parts of the world around the same time, particularly in South Asia, where credit as a form of social policy had an institutional lineage dating back to the British colonial administration.In India the microfinance industry has been growing over the past five years. It is growing at a 45% CAGR. RBI's regulatory reforms to regulate product, pricing and protection of customer interest have facilitated this evolution after 2010. The sector has witnessed the growth of regulated NBFC-MFIs - a special category of RBI regulated entities carrying out microfinance services. The first ever Self-Regulatory Organizations (SROs) of the RBI has also come into existence. Some of the NBFC-MFIs have, in recent times, transformed into universal and small finance banks. As on 31st March 2017, microfinance industry in India has total loan portfolio of Rs 106,916 Cr with 45 million borrowers. This represents a growth of 26% over the last year.

The sector employs over 120,000 people across 10,000 branches in 28 states of India. This is a key force for financial inclusion in the country. However, this is still lower than 25% of the demand across India.

As of FY 16-17, NBFC-MFI represents 42% of the microfinance lending, followed by Banks at 38% and SFBs at 14%. NBFC-MFIs still hold the largest portfolio. This picture will change now with the conversion of the big NBFC-MFIs into SFB. It is worth noting that with another 3 NBFC-MFIs (Disha, JFS and RGVN) that will be converting into SFB within a month or two, account for 31% NBFC-MFI portfolio. As they transition into SFBs, share of NBFC-MFIs will get reduced to 28% while share of SFBs will increase to 27%. Post-this, Banks will have largest share in the microfinance lending especially due to the contribution made by the converted NBFC-MFIs to SFB.

Northeast has about 3% of the total of the country portfolio which calculates to be around Rs.3, 200 crores. Out of total 45 million microfinance borrowers again around 3% is from the NER which is about 13.50 lakhs. These loans are primarily across the private Joint Liability Group and the public SHG programmes. Although there is no data available a rough estimate will be that up to 20% overlapping of the borrowers are likely to be there and must have been counted double. If that is netted then certainly the number will not be more than 11.00 lakhs. It clearly shows how many more families are yet to be reached in the region.

The sector employs over 1, 20,000 people across 10,000 branches in 28 states of India. This is a key force for financial inclusion in the country. However, this is still lower than 25% of the demand across India.

The sector has got adaptability to change, resilience in the face of challenges and has got an ability to maintain high repayment rates of almost 99%. The model of social collateral combined with a higher customer touch and rigorous credit bureau discipline has helped to maintain high levels of repayment.

The USPs of microfinance sector has been - micro size loans, doorstep delivery and frequent repayments like weekly, fortnightly or monthly. It thrives on a very high level of customer connect and contact base before, during and after the credit disbursement. Customers come face to face in the interval said above.

Microfinance is at a critical juncture today. It has proved its viability as a business model, as well as, its ability to reach out to a significant section of the population which needs mainstreaming especially in the remote villages. And it is important to note that it will continue to remain a relevant and important conduit for providing financial services to a vast segment of the population, acting as a complementary force to banks.

The country, where one in two people still do not have a bank account and only 15% have access to formal credit lines, should seriously think of the right of people to financial inclusion. Microfinance Institutions can complement in the efforts of the financial inclusion of banks/government.

Although the distinct characteristics of individual states of the NER cannot be undermined, the region is often considered to be one whole, owing to its geo-political peculiarities. The region is culturally rich and is inhabited by diverse ethnic groups comprising over 160 scheduled tribes and close to 400 sub-tribes speaking about 250 different languages and dialects. Northeast Region (NER) of India comprises the eight states of Assam, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Manipur, Tripura and Sikkim.

The data available from the census report 2011 (Table -1) reveals that there are 132.9 lakhs persons living below poverty line. If the average family size is 5 than the number of families livening BPL is estimated to be 26.58 lakhs. But when we consider low income households we can consider 40% population and that will be not less than what was revealed by the 2001 Census report. Table given below

Proverty Ratios of North East States & all india - number and Percentage of Population below Proverty line by States - (Tendulkar Methodology)

Sl No.	States/U.Ts	Rural		Urban		Combined	
		%age of persons	No. of Persons (Lakhs)	%age of persons	No. of Persons (Lakhs)	%age of persons	No. of Persons (Lakhs)
1.	Arunachal Pradesh	33.6	3.2	23.5	0.6	31.4	3.8
2.	Assam	36.4	89.4	21.8	8.3	34.4	97.7
3.	Manipur	39.3	6.7	34.5	2.3	37.9	9
4.	Meghalaya	14	2.9	24.7	1.2	16.1	4.1
5.	Mizoram	23	1.1	7.9	0.4	15.4	1.5
6.	Nagaland	10	1.5	4.3	0.2	8.8	1.7
7.	Sikkim	31.8	1.5	25.9	0.2	30.9	1.7
8.	Tripura	44.5	11.9	22.5	1.5	40	13.4
	All India	42	3258.1	25.5	814.1	37.2	4072.2

Note: Population as on 1st March 2005 has been used for estimating number of persons below poverty line. (Revised on the basis of 2011 population census)

The following table shows the statewise number of low income households in the NER. As per census report 2001 there are 34.47 lakhs low income families and in Assam the number stands at 25.46 lakhs. This number must have changed but considering the number of BPL families the number as shown in the table above must not have drastically changed to lower side.

The estimate has been done below based on the figures stated on the table-2.

Sl No	State	No of low income HH	Average loan size (2012)	Average loan size (2017)
1	Assam	25,45,631	Rs.10,000	Rs.15,000 – Rs.20,000
2	Manipur	1,48,212		
3	Meghalaya	1,68,879		
4	Tripura	2,91,082		
5	Nagaland	1,09,825		
6	Arunachal	1,27,114		
7	Mizoram	37,755		
8	Sikkim	18,815		
	Total	**3,428,498**		

At current demand for credit – at higher side -, if considered as Rs.20, 000 per family the estimated annual amount of loan will be Rs.6, 900 crores. The demand in 2015 as projected stood at Rs.3, 800 crores considering the individual demand of Rs.8, 000 (Assam) to Rs.10, 000 (Rest) and as shown by the MFIN report 85% of that have been achieved in terms of volume but in terms of coverage of number of families is still 1/3rd or so. Meanwhile the demand for credit has increased to almost Rs7,000 crores as on date against a supply of Rs.3,200 crores. It leaves an unmet demand ranging of Rs.3,700 crores.

Similarly, out of total 45 million microfinance borrowers around 3% is from the NER which is about 13.50 lakhs. These loans are primarily across the private Joint Liability Group and the public SHG programmes. Although there is no data available a very rough estimate will be that up to 20% overlapping of the borrowers are likely to be there and must have been counted double. If that is netted then certainly the number will not be more than 11.00 lakhs.

In the Northeast, owing to its diversity in terms of its cultural composition and terrain, different financial services' delivery channels are in existence. When MFIs and SHG-Bank linkage are serving the purpose in many areas, in many remote areas indigenous institutions are working as well. Primarily because of terrain and connectivity lot of areas in the region has been very difficult to reach and the MFIs and also the banks have not been able to reach those places. Although horizontal and vertical spread approach could be adopted the MFIs have not been able to reach many such places in the region as the question of viability arises as there is no subsidy or such other support to the microfinance sector. In certain places the perceived and sometimes actual problem of insurgency also has hindered reaching many remote places. Although HR issue is there, it is not as acute as more than experience it is the motivation and commitment to work with the rural community and families living in the remote areas. There are informal associations who save and give loans to its members and these informal associations have played important role in partially filling the gap in absence of MFIs, banks and post offices. The MF sector is also playing a role in providing employment. The total HR requirement was projected at 15,000 by 2015. By now the number must have been much more than it was in 2015.

The NER origin MFIs that are currently in operation here are RGVN Microfinance Ltd, UNACO Financial services Pvt Ltd, Nightingale Finvest Pvt Ltd, Grameen Development & Finance Pvt Ltd, YVU Finance Pvt Ltd, SATRA Development and Finance Pvt Ltd, AJAGAR Finance Pvt Ltd, and NER Finservices Pvt Ltd, which are registered with RBI Guwahati. There are also other MFIs that are registered as Society and Cooperative Society like Prochesta, Chanura Microfinance, WSDS, Seva Manipur etc. There are also other MFIs operating in the region which are registered outside. All these MFIs are serving the low income families in the region and they are working as the last mile delivery vehicle in the region.

The livelihood context and cash flows in the NER are much different; hence designing of suitable loan product is a challenge for MFIs. Since the MFIs are not allowed to mobilize deposits, they heavily depend on the promoters' capital and the loans mobilized from banks, financial institutions, and private institutional financiers. Fund mobilization is one of the most challenging aspects for MFIs from the region. It is really very critical for sustenance of MFIs to continue to serve the un-served families. To reach the remaining families with an additional portfolio Rs.3, 700 crores, MFIs will require approximately Rs.600 crores as capital (if considered that MFIs will reach all remaining families in the region).

Due to inadequate information exchange between MFIs and Banks the relationship is yet to be in a real sense of partnership. Due to lower capital base and operation size of the MFIs from the NER, they score lower or moderate ratings that hinder them again further mobilizing funds from the banks and Fis.

To make the microfinance services more effective there is a need to promote livelihood and increase access to market. Many parts of Northeast due to poor infrastructure and host of other reasons lack access to market. Investment opportunities are limited and credit absorption capacity is less as a result a part of loans still goes for consumption still. It is therefore imperative to build markets, train entrepreneurs, and create market linkages along with providing financial inputs. As most of the MFIs originated in the region have evolved from NGO form and the NGOs have been implementing various livelihood programs/projects they can be parallel to provide various support services needed to the microfinance borrowers in an integrated manner. Grameen Development and Finance Pvt Ltd (GDFPL) has been working in some of the areas in parallel way with Grameen Sahara, the NGO from which the company has evolved. Grameen Sahara has been implementing projects on irrigation, weaving & handloom, spice promotion, micro-enterprise development, piggery and dairy etc and Grameen Sahara & GDFPL have, not in all locations but in some of the places, been able to work hand in hand to provide necessary livelihood support to the borrowers in addition to financial services. More such integration could be explored by all the MFIs.

Some other important challenges for the sector in the region are – to provide rigorous financial literacy to the end clients, making microfinance cashless, stable and prudent growth to play its role in furthering the financial inclusion objective of the country, consistent credit discipline and culture of repayment, operating cost optimisation through use of IT, a strong self-regulatory commitment from all players in the sector, safeguarding of the business model from natural calamities and external activism and mainstreaming of the business within the larger financial services sector in the country.

If these factors are taken care of, it will be possible to reach each family in the region in need of financial services, thereby playing a significant role contributing to the development and economic parity in the NER.

The author is the Managing Director of Grameen Development & Finance Pvt Ltd., Chhaygaon, Kamrup and can be contacted at saratchandradasgs@gmail.com

Dalmia Cement aids ASSAM FLOOD VICTIMS

Year after year, floods have been creating havoc in Assam. This time the floods were unprecedented and in the first wave lasting till July had brought untold miseries to the people displacing lakhs of them. While the government acted on a war footing bringing succour to the suffering, the corporate sector was not far behind.

As part of its CSR activities, The Dalmia (Bharat) Cement too took came to the rescue of the flood-hit people of Assam.

Coming forward to help the flood affected residents of Morigaon district, Dalmia Cement in collaboration with Abikal, an NGO conducted a free health camp for Forest Guards of Pobitora National Park and its adjoining villages. The group had also provided relief materials to the affected people.

The flood relief campaign was flagged off by Smti. Pramila Rani Brahma, Minister of Forest & Environment, Assam. During the flag off, the Forest Minister said, “Change in weather causes various diseases which makes a health camp like this a necessity. Dalmia Bharat Cement and Abikal are doing a good job by coming forward with such an inn itiative along with AMSA.” Relief materials like food items, toiletries, clothes and other household essentials were handed out to over 200 families at Madanbori Suntulla village under Monoha Gaon Panchayat, Morigaon on 3rd August by representatives of Dalmia Cement, Abikal and the village headman.

Earlier in the day, a free health camp was organized for the frontline forest staff of Pobitora Wildlife Sanctuary which was also inaugurated by Smti. Pramila Rani Brahma and Shri B.B. Brahma, Principal Chief Conservator of Forest, Assam along with other officials. The health camp was organized jointly by Dalmia Cement, Abikal, Assam Forest Department and in collaboration with Assam Medical Service Association.

Participating in the free health check up camp Mr. Satish Sharma, Deputy Executive Director, Dalmia Cement (Bharat) said, “As human beings and as Indians we need to do all that we can to help our countrymen in need. In such a calamity, it is the moral responsibility of every citizen and corporate in India to step forward and extend the best possible support towards the relief. We offer condolences to the families who lost their loved ones.”

The frontline forest staff was provided with a kit containing antiseptic liquids, medicated soap, a pair of sandal, t-shirt and a cotton vest. Around 120 forest guards participated in the free health checkup camp.

In another commendable effort, seven employees of Dalmia Cement also distributed flood relief materials among the flood affected people of Lakhimpur district along with the participation of their dealers, partners and vendors.

The employees distributed different items like rice, dal, bottled water, biscuits, mosquito coils, clothes, medicines, etc. and distributed them to the victims. The relief materials were distributed in areas like Bagalijan, No. 1 Passnoi, Putabil Rantijan and No. 2 Mudoibil of Panigaon area of Lakhimpur district.

This was made possible by the active participation of Dalmia Cement dealers, traders and vendors.

NEDFi's Microfinance

A journey towards inclusive growth

S.K. Baruah

1. INTRODUCTION:

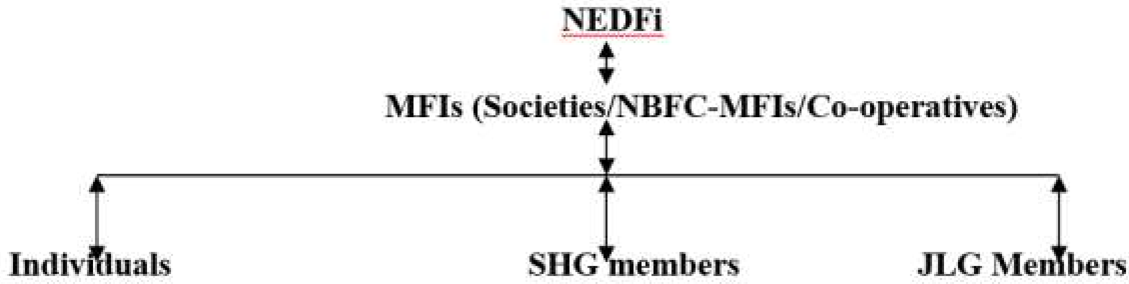
North Eastern Development Finance Corporation Ltd. (NEDFi) has been playing a catalytic role in creating livelihood opportunities and generating synergy with Micro Finance Institutions (MFIs) for productive economic activities in the North Eastern region of India. Micro-finance Institutions, an important constituent of the financial eco-system offers small or micro-loans to people with limited resources, and without the access to conventional loan services for various income generating activities. Thus, the synergy between NEDFi and Microfinance Institutions in providing small or micro-loans in remote and under-banked areas of the region helps the communities to take up various income generation activities, which meet the objective of the Corporation of catalysing economic development of the region.

Having worked for few years since its incorporation on August 9th, 1995 towards the development of the region and understanding the fact that the majority of the population in this part of the country live in small towns and rural areas, the Corporation realized that the region had a huge requirement for very small loans specially in those areas for various economic activities. For trading and production purposes, the rural poor were dependent on local money lenders who charge usurious interest rates with stringent terms & conditions. Despite the vast expansion of the formal credit system in the country as well as presence of various national level and state level financial institutions, commercial banks and regional rural banks, the need for finance of the people living at the bottom of the pyramid was not met effectively.

To meet this requirement, the Corporation started its Microfinance operation in the year 1999-2000. Initially, NEDFi looked towards developing and supporting NGOs/ Voluntary Agencies (VAs) with good track record for on-lending to the targeted group for taking up income generating activities. The initial 3-4 years was a learning period as the Microfinance concept itself was in a very nascent stage in the region as a whole. Thereafter, the MFIs assisted by NEDFi became more professional and efficient in terms of system, process and services etc. Today, 7 (seven) nos. of NEDFi supported MFIs have become NBFC-MFIs under RBI regulation and few more are aspiring to become NBFC-MFIs.

1. OPERATING STRUCTURE:

Under the two tier delivery model of Microfinance Scheme as shown below ,the Corporation acts as a bulk supplier of Microfinance Term Loans to MFIs (NBFC-MFIs/Societies/Co-Operatives) which in turn facilitates the end beneficiaries with Micro loans.



This model of operation is successful in terms of delivery and recovery, and more importantly it has provided the Corporation an opportunity to reach the small entrepreneurs/ farmers for engaging in income generating activities by meeting the credit requirements with the help of MFIs of the region, and also helped the MFIs to provide employment opportunities to the local youth of the region.

1. PRODUCTS & SERVICES:

The products and services of NEDFi are developed based on the needs of the MFIs and experience of the Corporation. NEDFi's product and services have 3 dimensional approaches as below:

(I) Debt Support (Term loans): The core product of the corporation since the beginning of the MF scheme, under which NEDFi provides financial assistance to the MFIs in the form of Term Loans. Through this, the Corporation extends its financial services to the grass root level people.

(ii) Equity participation: Today, with the changing regulatory scenario for micro-finance institutions, many NEDFi assisted NGO-MFIs have transformed into NBFC-MFIs and many are striving to become NBFC-MFIs, so that, they can come under the purview of RBI regulation. This will give them (MFIs) strategic advantage in future. In view of this, with an aim to help the MFIs in strengthening their capital base, NEDFi developed a scheme called “NEDFi Equity Fund Scheme” and started giving equity support to NBFC-MFIs.

So far, NEDFi has provided Equity supports to 4 (four) MFIs. Among them, M/s RGVN (North East) Microfinance Ltd. has become the first Small Finance Bank of north east region. During the initial period of RGVN (North East), the Corporation's Equity assistance helped the Company to attract investment from other investors such as Dia Vikas Capital Pvt. Ltd, Oiko Credit, Small Industries Development Bank of India (SIDBI) and Norwegian Microfinance Initiative (NMI).

(iii) NEDFi MF Support Fund for Un-served and Under-served Areas :- In the year 2012-13, the Corporation launched a special product under its Micro-Finance scheme called NEDFi MF Support Fund for Un-served and Under-served Areas through funds provided by the Ministry of DoNER in order to increase its micro finance outreach to un-serve and under-served areas such as Karbi Anglong and BTAD of Assam , Ukhrul, Senapati, Churachandpur and Chandel districts of Manipur and rest of the North Eastern states where presence of micro finance was very less.

The Corporation signed Memorandum of Understanding (MoU) with National Backward Classes Finance and Development Corporation (NBCFDC), National Schedule Tribe Finance and Development Corporation (NSTFDC) and National Schedule Caste Finance and Development Corporation (NSFDC) to become channelizing agencies of these organisations to provide low cost funds to the beneficiaries belonging to OBC, STs and Scs.

(iv) Capacity Building support for MFIs:

Capacity building is another area, for strengthening the MFIs and to make them (MFIs) more efficient and effective in implementing the Micro-finance programme. During the first few years of operation of Micro-finance scheme, the Corporation realised the need of training for MFI to instil better technical and managerial skills among MFIs enabling them to manage more funds and for serving more beneficiaries efficiently and effectively. As such, NEDFi has been helping the local MFIs by providing various capacity building supports along with the exposure visits to APMAS, Andhra Pradesh. The few major capacity building programmes are as follows:

In-house training module: By assessing the need base areas of capacity building requirement, NEDFi's Microfinance team has developed 2 training modules viz.

(a) Microfinance for Beginners – for start-up NGOs/MFIs and new recruits; &

(b) Managing Microfinance Module-I - for the existing MFIs. The programme basically deals with loan tracking, monitoring & delinquency management and performance. Both the programs are successful and widely recognised by the MFIs. Further, to suit with the new developments happening in the field, these programes have been updated regularly.

Collaborative programmes: To add more value to the effort of Corporation, few important training programmes were also organised by engaging experts from other reputed training institutes in selective areas. Few of such training institutes are EDA Rural System (sister concern of MCRIL), International Finance Corporation (IFC), Prime M2i Consulting Pvt. Ltd., International Finance Corporation (IFC), IIBM, Centre for Microfinance & Livelihood (CML, a TATA Trust sponsored organization) etc.

Handholding support: From time to time, NEDFi's Microfinance team has been providing guidance, technical support and other helps to the MFIs.

2. ACHIEVEMENTS:

With the closure of the financial year 2016-17, NEDFi completed 18 years journey in Microfinance. During this period NEDFi had sanctioned a total of Rs.590 crore and disbursed Rs.571 crore. The portfolio outstanding as on 31.03.2017 is Rs.153 crore. NEDFi's Micro Finance scheme has touched the lives of around 6.30 lakh beneficiaries across the 8(eight) states of the region, which has been multiplied manifold by revolving the fund in the field by the MFIs. MFIs are lending mostly to the women beneficiaries (95%) encouraging them to engage in income generating activities which result in socio economic empowerment of women.

Under the equity support scheme, the Corporation so far provided Equity support to 4 (four) NBFC-MFIs, one of which has become the first Small Finance Bank of the region. Some more NBFC-MFIs are in the pipeline.

The Corporation under its Capacity Building initiative, till 31.03.2017, has organized 45 (forty five) nos. of capacity building training programmes by covering more than 1000 participants.

3. THE ROAD AHEAD:

Inclusive growth requires collective efforts of all the stakeholders and as a tool for bringing inclusive growth, Microfinance needs collective effort from bankers, MFIs, technical support institutions etc. NEDFi is a small part in this financial ecosystem.

As per *"North East Microfinance Vision 2015"* (a study conducted by M/s Prime M2i Consulting Pvt. Ltd. 2012), there are 34.47 lakh nos. of low income household. By taking this nos. of household with average credit demand of Rs.20,000/- per household, the total credit demand works out at Rs.6894 crore. Although, the actual figure of credit supply cannot be ascertained, one can easily understand that still there is huge gap between demand and supply.

To tap the huge demand-supply gap of the micro finance in the region, NEDFi shall continue to provide financial assistance to credible MFI for addressing the needs of under-privileged and economically backward sections of the society. Focus shall be given for capacity building of MFI, equity investment for incubation of NBFC-MFI, networking with reputed and professional MFIs of national level to benefit from their expertise. In the years to come, the Corporation shall continue to undertake the exciting challenges of supporting and financing micro finance institutions in the region with the objective of financial inclusion by providing financial assistance to rural poor and weaker sections of society for income generating activities and fulfil its mandate of being a pacesetter in the economic development of the North Eastern region.

The author is the Executive Director of NEDFi and can be contacted at skbaruah@nedfi.com

Final match in progress

SWAHID TROPHY

It was initiated by Shri. Shanti Kr. Jain, an eminent sports person and social worker of Boko and father of FINER's past Vice Chairman Shri. Amit Kr. Jain (seen above on dias). The event was launched 35 years back under Puranmal Jain Memorial Fund. Finals of the trophy was organised by Janata Sangha, Bondapara.

PRIDE AWARD 2017

Shri. Chinmoy Sharma, FINER Director receiving Best Cinema/ Theatre award given to Anuradha Cineplex by 92.7 Big FM, Guwahati selected by Jury and Public Voting.

अमिताभ कांत
Amitabh Kant
मुख्य कार्यकारी अधिकारी
Chief Executive Officer

सत्यमेव जयते

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No. N-14072/32/2017-MHA

August 23rd, 2017

Dear Anupam Deka,

This is to personally thank you for participating in "Champions of Change" event on 21st- 22nd August, 2017. I was highly impressed by your enthusiasm, hard work and transformative ideas. I appreciate you for taking the time to share your thoughts with India's top decision-makers and thought leaders.

The Honorable Prime Minister has appreciated the commitment shown by you in partnering with Government of India for working toward a New India by 2022. As he mentioned in his address, for India to reach its full potential, we must have a shared vision the country and strong links between the government and private sector. We look forward to your continued contribution for transforming India. The Hon'ble Prime Minister has already given direction for initiating follow-up action to all concerned Ministries after the event.

My team and I would be delighted to welcome you at NITI Aayog at any time in the future. We are exploring avenues to engage with you to take forward the ideas that have emerged out of your deliberations at the event. All the best for your current and forthcoming endeavors to transform India.

I wish you all the very best in life!

With warm regards,

Yours sincerely,

(Amitabh Kant)

Anupam Deka,
Sunanduram Food,
anupamdeka@srdeka.com

CHAMPIONS OF CHANGE

FINER Director, Shri. Anupam Deka (seen here with Dr. Jitendra Singh, Hon'ble Minister, DoNER, Govt. of India) was felicitated by NITI Aayog. His commitment was also appreciated by Hon'ble Prime Minister, Shri Narendra Modi.

PHYSIOTHERAPY

Dr. Pallabi Goswami (Physiotherapist)

In today's modern society “Physiotherapy” is an unavoidable area of health sciences. “PHYSIOTHERAPY”- is a name which itself holds a big meaning of 'physical therapy'- treatment without medicine.

“Physiotherapy” plays a big role in terms of lifestyle and postures as today's busy schedule demands more work and less exercise which in turn may lead to many more conditions. Ergonomics which means workstation design is also a part of physiotherapy.

In physiotherapy there is mainly a prescription of different exercises for different conditions like conditions in neurology, orthopaedic, pediatrics, geriatrics, cardiopulmonary, sports, etc.

Physiotherapist will form a customized treatment procedure after a thorough assessment for each condition where treatment usually involves different exercises and use of different machines for pain relief, muscle stimulation, reduction of muscle spasm, increasing joint mobility, etc.

“PHYSIOTHERAPY” has completed a long way now it has reached such a height with specialisations in its master courses and also has come up with PHD degrees in different fields of medical science. Lot many researchers are still going on for ensuring and implementing a proper treatment plan for benefit of mankind.

Nowadays pain is one of the factor which may be related to postural problems, overuse syndromes like shoulder impingement conditions, ligament injuries, tennis elbows, hereditary deformities, back pain (which is very common), neck pain, arthritic conditions, post fracture stiffness, etc where physiotherapist plays an important role by modifying the lifestyle, forming specialised treatment protocols and providing a pain free lifestyle to the patients.

Several neurological conditions like brain stroke, spinal cord injury, parkinsonism, nerve injury, brain injury and many more where physiotherapy and rehabilitation is only choice of treatment because medicines has a limit in the treatment of these conditions.

Some of pediatric conditions like cerebral palsy, delayed milestone, autism, Down's syndrome are becoming frequent and are seen to late age marriages, in our society. These kids need long term rehabilitation with a complete rehab team for an independent life in all possible ways.

Sports injuries are common in any field practice where physiotherapists play a very important role in maintaining fitness and endurance of the players. Nowadays in almost all the branches of sports, requirement of a physiotherapist is must according to Government rules.

Pregnancy and old age group are two of the main branches of physiotherapy which can be said as starting of a life to the ending of a life of a human body, physiotherapist plays an important role again.

In short, physiotherapy is such a noble profession which is essential in every phase of a human life for development of a healthy society.

The author is the B.P.T, M.P.T (Neurology), M.I. A.P., Associate Professor in College of Physiotherapy and Medical Sciences, Bonda, HOD in Diganta's Physiotherapy & Rehabilitation Centre (DPRC), Rajgarh and can be contacted at pallabi.goswami@hotmail.com

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