

Madam/Sir,

Thanks for providing us the opportunity to give our feedback on the Financial Sector Regulators and other stakeholders' second National Strategy for Financial Education (NSFE) for the period between 2019-24.

Finance Industry Development Council (FIDC) is a Representative Body of the Assets and Loan Financing NBFCs registered with the Reserve Bank of India. FIDC was formed 15 years ago and is the recognized face of the NBFC sector. We have been engaged in regular interaction both with Reserve Bank of India and Govt. of India, which include pre-budget meetings and also important policy related meetings with RBI. Almost all the leading NBFCs and a large number of small and medium sized NBFCs are our members.

While we sincerely appreciate the initiative to draft a National Strategy for Financial Education, the questionnaire given seems more company-specific. As an industry body for NBFCs, we at FIDC would like to share our views/ thoughts and initiatives taken in this direction:

1. The important role being played by NBFCs in providing credit to the unbanked and underbanked segment of the society in rural, semi urban and urban areas has widely been acknowledged by the Government, regulator and the society at large. NBFCs have grown in strength to a level where almost 25% of the total credit needs of the country are being met by the sector.
2. Human Resource forms the most important part of any entity and therefore the FIDC Managing Committee has given greater attention and focus towards it. An independent sub-committee called "**Professional Development Committee**" has been constituted which comprises of the HR Heads of the leading NBFCs.
3. Traditionally, NBFCs have been hiring fresh recruits who hold a Post-Graduate degree/diploma in Business Administration (MBA), with specialization in Finance. It has been our experience that generally these students though being well versed with the banking and allied services, their understanding of the NBFC business model, operations etc. is negligible. In fact, there is even a lack of awareness on the basics of "What is a NBFC?"

As such, these recruits are then trained and groomed by experts in the lending activities/business model of NBFCs, along with the Regulatory framework. This is generally carried out by the NBFCs in house personnel, thereby incurring substantial cost and resources. The underlying reason for this shortfall is the curriculum that they study in the Business Schools which have a limited specialization to offer - Finance or Banking & Financial Services. Therefore, the need of the hour is to include curriculum that enables them to specialize in NBFCs.

4. It is with this objective that FIDC has initiated dialogue and discussion with some of the leading Business Schools in the country. We are pleased to share that **Department of Financial Studies at University of Delhi** have agreed and approved the idea of conducting short term Certificate Courses on NBFCs for their MBA students. FIDC is shortly going to sign an MoU with University of Delhi to this effect. These shall be Short Term courses offered as an option to the regular MBA students. The leading NBFCs which constitute the Managing Committee of FIDC have agreed to give preference to students undertaking this short term course for Internships and final placements in their respective companies. FIDC is in dialogue with 2 other Business Schools on similar lines.

5. **International Finance Corporation (IFC)**, which is an arm of World Bank Group, has collaborated with FIDC and has signed The “Engagement Letter” for training programs for NBFCs to be conducted on “**Commercial Credit Reporting**” aimed at building capacity of NBFCs to enhanced reporting and enquiring on Commercial Credit Information Data from the Credit Bureaus. These training programs are being conducted at various centers across the country under the guidance of leading consultants from the World Bank Group. These training programs greatly enhance the awareness, expertise and professionalism of our member companies, especially, the large number of small and medium sized NBFCs catering to the credit needs in rural and semi urban areas and also facilitates more informed credit appraisals thereby improving the asset quality. Such an engagement with a global development finance institution improves the credibility of NBFC sector thereby boosting the investors’ confidence. The prime objective is to have HR of NBFC specialists, which is the need of the hour considering the growing contribution of NBFCs and challenges being faced by the sector.

6. Further, FIDC has been part of Core Group with RBI College of Agricultural Banking, Pune to re-start Training workshops for NBFC Personnel.

7. We do initiate seminars & conferences on specific subjects to impart knowledge to NBFCs. We are also partnering with NIBM, Pune, BQ Global, Elets, Access India, B2B Infomedia, ASSOCHAM and IMC Chamber of Commerce & Industry for their on-going Seminars and Workshops exclusively for NBFCs. We partner with local and global consultants and utilise their services as knowledge partner in our Seminars and Conferences.

8. The long pending issue of **availability of information and data** on NBFCs has been partially addressed by FIDC by tying up with CRIF Highmark and we now compile and publish quarterly segment-wise, state-wise disbursement figures. This is well appreciated by all.

9. We do take feedback from members about the challenges they face and share best practices through knowledge sharing forums

10. We come out with written communication to members on various circulars, guidance note giving clear direction on DO's and DONT's.

We are ready to provide any further information/clarification/assistance in this regard to your esteemed Department.

Thanks n regards
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