

Message From MD'S Desk

Dear Friends,

Your participation and encouragement with every edition of this newsletter inspire us to bring out the best in us. I wish to thank each and every one of you for this overwhelming reception.

In this edition, we will talk about role of (Non Banking Financial Companies) NBFCs in financial inclusion.

The MSME sector including self-employed and individual operated entities is an important pillar of Indian economy as it contributes greatly to growth of economy with a vast network of around 75 million units, creating employment of about 110 million, and contribute to about a third of the GDP and 45 per cent of the manufacturing output of the country.

Despite the significant contributions, this sector continues to face certain constraints- the biggest of them is, availability of adequate and timely credit followed by high cost of credit, collateral requirements, access to equity capital and rehabilitation of sick enterprises, etc.

In fact, the sector is currently seeing a huge credit gap. According to a BizFund report, only 16 per cent of this sector receive formal credit leaving more than 80 per cent of these companies under-financed or financed through informal sources. Therefore, the question really is, how to provide financial assistance to these "unorganized sectors" and bring them under the fold of financial inclusion.

NBFCs (Non Banking Financial Companies) play key role by catering to the diverse financial needs of bank excluded population. NBFCs often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) including self-employed and individual operated entities most suitable to their business requirements. They also facilitate development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and supporting financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance.

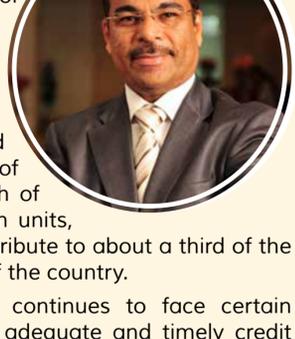
NBFCs also aid economic development by:

- Mobilising Resources by converting savings into investments
- Capital Formation by aiding to increase capital stock of a company
- Providing provision of Long-term Credit and specialised Credit
- Aiding Employment Generation
- Facilitating development of Financial Markets
- Helps in Breaking Vicious Circle of Poverty by serving as Government's instrument

While, the banking sector would always be the most important sector in the field of business, the role of NBFC is critical and their presence in a country would only boost the economy in the right direction. This is the reason the NBFC sector has grown considerably in the last few years despite the slowdown in the economy.

Shriram Transport Finance Company Limited, being the leader in this category is committed in service of the "unbanked" and providing the under-financed with innovative products to put their business in fast lane and fuel the entrepreneurial spirit of the nation.

Jai Hind



Industry News And Updates

MV rules to allow nominee for smooth ownership transfer

In a move to make hassle-free transfer of vehicle ownership to the identified family member or any other nominee on the lines of bank accounts, the road transport ministry has proposed to amend the Central Motor Vehicle Rules enabling the owner to put the name of nominee while applying for registration.



[Read the full article here](#)

Apollo Tyres launches XT-100HD cross-ply lug tyre for commercial vehicles



Apollo Tyres has launched the new XT-100HD, which it says is the most advanced cross-ply lug tyre that offers the best of both – load-carrying capacity and mileage, while ensuring the most durable casing in the industry.

[Read the full article here](#)

First-ever CNG-powered JCB digger launched in India: Flexible fuel, cleaner emissions

JCB India recently launched a CNG-powered digger in the country. This is the first-ever Backhoe Loader which can run on Compressed Natural Gas, based on JCB's very popular 3DX DFi. The Loader is dual fuel, this new machine can operate on CNG and diesel simultaneously using the HCCI (Homogeneous Charge Compression Ignition) technology.



[Read the full article here](#)

Witnessing "green shoots" driven by rural India: JCB



Earthmoving and construction equipment manufacturer JCB India said it is witnessing "green shoots" driven by activities in rural India, with a gradual recovery from the coronavirus induced disruptions earlier this year.

[Read the full article here](#)

Etrio Launches India's First Retrofitted Electric LCV: Prices Start At Rs 7.75 Lakh

Etrio, an electric vehicle startup, has introduced the country's first retrofitted electric light commercial vehicle. The retrofitted eLCV from eTrio is offered with a price tag of Rs 7.75 lakh, ex-showroom.



[Read the full article here](#)

Tata Motors' SCV business gets new petrol power from the Nano



The Tata Nano is no more in the showroom, but its 'heart' is. An upgraded 694cc version of the two-cylinder petrol engine is now doing duty in Tata's popular small commercial vehicle (SCV) – the Ace. Launched in the market in June, the market seems to be welcoming a petrol truck. Tata Motors says that the variant's share in the Ace's sales has reached around 30 percent.

[Read the full article here](#)

60% of new business transactions are happening through mobile, says V Sendil Kumar, CTO, Shriram Capital Limited

Shriram Capital Limited (SCL) is the overarching holding company for the financial services and insurance entities of the Shriram Group. The group has primarily been focusing on financial inclusion & serving the underserved since 1974. V Sendil Kumar, Chief Technology Officer at Shriram Capital, talks about the digital transformation journey at the Shriram Group



[Read the full article here](#)

Higher HP tractors continue to fascinate farmers and why!



The Indian tractor industry has been in the spotlight since ten months as a prime symbol of the rural juggernaut. Buoyed by a good monsoon, pent-up demand from rural and semi-urban areas, robust Rabi harvest, and better farm income, the industry had impressive sales despite the widespread impact of COVID-19.

[Read the full article here](#)

Healthy demand conditions accelerates vehicle finance sector's recovery: Report

Demand for two-wheelers, tractors and passenger vehicles has led to an accelerated recovery in the vehicle finance(VF) sector over the past six months, equity research firm Motilal Oswal Financial Services said in a report.



[Read the full article here](#)

Govt plans to set up charging infrastructure across 69,000 Petrol Pumps



The government is planning to set up at least one e-charging kiosk at around 69,000 petrol pumps across the country with an aim to accelerate the uptake of electric vehicles, Union minister Nitin Gadkari said.

[Read the full article here](#)

MERRY CHRISTMAS AND HAPPY NEW YEAR