

BC KGC

The Challenge

India is a largely agrarian economy, with about 52% of the population estimated to be directly or indirectly employed in agriculture and allied sectors. The growth potential in the rural market in India is a well-documented fact. RBI guidelines mandate that Commercial Banks have to offer 40% of their net credit to the priority sector, of which 18% needs to be extended as loans to the employment-intensive agricultural sector. However, most PSU banks are not able to meet the loan needs of the rural population. **In order to expand its banking footprint in the rural areas of India, a leading private sector bank with over 3300 branches wanted to expand rapidly in remote locations, in multiple states of India, for sourcing loans and liability accounts.**

C-SPEED Solution

After considering several options, Centillion was chosen as the bank's partner based on its pan-India presence, experienced CREs, experience in scaling up of operations and resources, and software technology expertise. **Centillion quickly set up service points across multiple states in India, and provided adequate manpower, a customized IT platform, Krishidvar[®], and associated training in loan/CASA sourcing, banking practices, and other banking products.** Centillion also provided supervisors to manage the field resources, leading to increased loan sourcing. In addition, Centillion provided the stakeholders with MIS and real-time reports on loan sanctions and disbursement, CASA sourcing, productivity, and Turn-Around-Time (TAT). Centillion was able to provide sufficient manpower and operational set up when the bank scaled up its operations. Centillion's IT platform, Krishidvar, which captures the farmer's details, was used for cross selling of the bank's other products.

The Benefits

With Centillion's assistance, the bank has:

- Grown its overall KGC business by four folds in 3 years
- Maintained its rate of converting sourced loans to disbursements at around 90% - 92%
- Increased the average ticket size from about Rs. 4 lakhs to Rs.18 lakhs per loan file
- Reduced the cost of setting up and managing its infrastructure and manpower
- Reduced the lead time for recruitment and training of staff
- Reduced the lead time to set up new branches and ramp up operations