

CASE STUDY ON

# MICRO FINANCE APPLICATION



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**Overview :**

“Microfinance” is often defined as financial services for poor and low-income clients offered by different types of service providers. One such institution has been facing issues involving high-cost maintenance and less outreach to remote areas due to poor connectivity. They also needed a solution to track and monitor the activities of the field agents.

**Business Challenge :**

Our client had a rural Customer base & hence they required an innovative, low-cost banking network with high outreach.

They were also looking for a Continuous, real-time exchange of information with their remote servers.

These micro-finance institutions were unable to evaluate and monitor cash flow cycles and repayment capacities.

Another issue was the High costs of putting in place the physical infrastructure required to broaden their reach in remote rural areas where most financial transactions are conducted.

Data entry at the backoffice became a tedious process.

**Customer :**

NABARD Financial Services

**Solution Discription :**

Micro-finance clients approach an MFI’s agent with an authorized smart card. The smart card contains the details of the beneficiary like account number, photograph. The clients insert their smart card into the terminal at the location of the agent, selects the type of transaction and the payment amount. Transaction is confirmed. Two receipts are generated, one for the customer and the other for the agent’s record. The transaction details are automatically recorded both on the POS terminal and on the client’s smart card. Transaction details are also updated to the central server in real time.

The solution consists of loan disbursement module and collection module.

**Terminal Process :** The terminal contains the following menu :

**Collection**

Based on the group id and account number, the amount will be collected and updated to the server immediately. A receipt will be printed with the group id, name and account number and the collected amount. Additionally, previous month payment details will also be printed, if available.

**Remittance**

It is used to deposit the cash-on-hand into the selected bank.

**Disbursement**

Upon confirmation of the group id and account number, the amount will be disbursed to the appropriate account holder. A disbursement receipt will be printed with group id and disbursement amount details.

**Withdrawal**

Based on the account types, the amount can be withdrawn through cheques.

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## End of Day

At EOD, pending transaction details will be uploaded to the server automatically and the collection, remittance, disbursement and withdrawal transaction details are sent to the server for cross-verification.

## Download and Upload

It is used to download the bank and group details which are allocated to that route. By default, after every transaction, details are uploaded to the server immediately. If there is no proper connectivity, pending transaction details can be uploaded to the server manually.

## VISIONTEK Products Used :

- VISIONTEK 93 POS

## Key Features :

- Maker-Checker in transactions
- Integrated Financial Accounting
- Comprehensive Reports
- Role based access control
- Flexible deployment options
- Customer management
- Deposit Management
- Financial Accounting

## Benefits :

- There is increased and improved customer reach.
- As the date is updated in real time, there is enhanced transparency.
- Last mile operational issues are tackled efficiently.
- It also helps in reduced book record keeping as all the records are updated onto the central server directly.
- No Physical infrastructure required for rural branches as each field executive acts as a branch.
- Drastic reduction in Data entry work at back office.
- Online visibility of Cash collection & Disbursements.

## Customer Impact :

After implementing VISIONTEK's microfinance solution helped the customer to evaluate & monitor the cash flow cycles, Could broaden their Customer reach without Physical infrastructure. Their cash collections improved & was able to keep a track on the disbursements. Customer satisfaction levels improved since they could get printed receipts for loan received & repaid.

For more details on POS products visit : [www.transaction-terminals.com](http://www.transaction-terminals.com)



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