

Case Study | Laxmi Laghubitta Bittiya Sanstha, Nepal, implements Nelito System's Multiple FinCraft™ Software Solutions and Customisation



Laxmi Laghubitta Bittiya Sanstha Limited (LxLB), a microfinance subsidiary of Laxmi Bank Limited (a commercial bank of Nepal), is a national-level microfinance institution licensed by Nepal Rastra Bank, the central bank of Nepal. It is the first microfinance institution to be registered as a subsidiary of a commercial bank in Nepal.

As a professional microfinance institution, LxLB has developed customer-friendly financial products & services and plans to reach a large number of clients in un-served and underserved areas. It focuses on livelihood business, micro-enterprise, small, and medium-scale enterprises with an aim to benefit and empower the low-income group of Nepal. LxLB has its Head Office in Kathmandu, Nepal, and provides microfinance services to low-income groups through its branch offices located in different parts of the country.

Key facts

- **Organisation:** Laxmi Laghubitta Bittiya Sanstha
- **Headquarters:** Kapan Marg, Kathmandu, Nepal
- **Branches:** 90
- **Duration:** 8th May 2019 to 15th July 2020
- **Company Strength:** 378
- **Members:** 105,683
- **Loan Portfolio:** 7,779,191,234
- **Technology Stack:** ASP.Net, SQL 7
- **Supplier:** Nelito Systems
- **Solution implemented:** FinCraft™ Core Banking Solution, Tablet Banking/Customer Facing App, FinCraft™ ILMS, FinCraft™ HO Module

Nelito Systems Ltd. is an Indian financial technology company, that provides software technology solutions and services for Banking, Financial Services, Micro-Finance, and Government verticals globally. Formed in the year 1995, Nelito has over 400+ Banking Clients and 25+ Microfinance and Non-Banking Finance Clients in 19 countries

across 4 continents.

Nelito Systems Ltd. provides software solutions and services for Banking, Financial Services, and Government sectors, primarily in India and SAARC, and ASEAN countries. Nelito offers FinCraft™ a suite of solutions like Core Banking, Integrated Lending Management Solutions, Enterprise Reporting, Data Warehousing, and Mobility Solutions.

LxLB approached Nelito with a **set of requirements**. Some of the key ones were:

Proposed CBS should have Enterprise level RDBMS with proven performance and security features with the capability to support a single, centralized instance within an organization operating across multiple entities with the following requirements:

- Multi entity/branch
- Multilanguage
- Multiple holiday tables for each entity
- User-based holiday tables
- 24x7 with no restriction in online functionality

One LMS with the ability to handle multiple types of loan products with loan account opening functionality, ability to make repayment, loan disbursement, and loan account closure.

Needed efficient group loan management solution to handle group documentation, centre authorization, group creation, and ability to disburse loans at the group as well as individual level.

Ability to handle various types of Loan Products (and not limited to) the following products like residential mortgages, development & investment property mortgages, motor vehicle financing, livestock financing, and general business asset financing.

To make a Tablet Banking Application for multiple loan management needs, especially for field staff. Which enables them to update their data on the go. The proposed solution should have a provision to integrate to 3rd party systems to extend functionalities: ATM, national switches, 3rd party wallets, MNOs, USSD aggregators, SMS aggregator, Billers, etc. List all of them down. Following are the major requirements:

- Staff Login & Customer Onboarding
- flexible agent administration
- Works offline with limited connectivity
- Group Collection Sheet
- Group Loan Application
- Loan Disbursement
- Individual Loan Repayment
- Dashboard & Reports

HO Modules: Requirement of tailor-made HR, Payment, Inventory & Fixed Asset Management modules in the Core Banking System.

Some of the major **implementation challenges** were;

- As LxLB uses the Hindu calendar (Amrapatra) for all the transactions & finances so they wanted functionality implementation as per their calendar.

Some of the **implementation highlights** were;

- Provided FinCraft™ CBS with enterprise-level RDBMS (**SQL std edition**) with proven performance and security features. It also supports future scalability.

- FinCraft™ CBS supports multi-branch, multi-holiday, multi-language. **24 x 7 online functionality** will be available and supported.
- Microsoft SQL Server Reporting Services (SSRS) tools for server-based **report generation**
- Developed **tablet Banking Software** for the Field managers to achieve immediate collection and update
- Delivered multiple requirements within 14 months
- Trained 95 LxLB Staff in 3 batches, including field agents
- Successful implementation of e-Alert messages and notification for customers and users with MFI's E-mail & SMS Services.
- Loan Disbursement functionality with the following features:
 - Automatic accounting entries
 - Full Disbursement
 - Partial Disbursement
- Integrated tailor-made HR, Payment, Inventory & Fixed Asset Management modules in the Core Banking System

Following **benefits** were achieved by LxLB with Nelito's FinCraft™ Software Solution;

- Manpower hours saved by providing digitally Reports generation for Nepal Centralised Bank & other MFIs
- Reduced Process Time: Highly mobile field force which does most of its activities on the field
- Real-Time Accounting: The real-time accounting entries have improved the Cash Management
- Cost reductions: Cut-down in many of the manual systems and overall lending process led to considerable cost saving
- For their Nepal Government Porta i.e. e -Seva integrated API FinCraft™ solution to achieve inquiry & post-credit transactions
- Integrated solution for a 360-degree view of customer information.
- Increased Market Reach: The mobility solution has enabled the field force resulting in higher loan disbursements & higher market penetration
- Unified Solution: One Solution for various Loans schemes saves efforts required for the Reconciliation
- Improved Operational Efficiency due to integrated Solution.
- Ready to go on the field approach brings confidence in the operation

About Nelito Systems:

Nelito Systems Pvt. Ltd., (a group company of DTS Corporation, Japan), headquartered in Mumbai, is a financial technology company committed to serving Banks, NBFCs, and MFIs globally for more than 27 years. Nelito was established in 1995 as a joint venture between Nelco India (Tata Group) and ITOCHU Corporation Japan. In June 2019, DTS Corporation, Japan has acquired a majority equity stake in Nelito.

To learn more, visit www.nelito.com.