

## **Microfinance lends a support to women entrepreneurs**

**Raniganj, 6<sup>th</sup> September, 2018:** Soma Bid is a resident of Raniganj in West Bengal. Due to financial constraints she had to discontinue her education after class X. However, this did not discourage her to pursue her dream to be financially independent. Pursuing her interest in the beauty industry, Soma got herself enrolled in the Beauty & Wellness course which is funded by Arohan Financial Services, a Non-Banking Finance Company-Microfinance Institution (NBFC-MFI), as a part of its skill building initiative. Soma now aspires to become a beauty therapist and has been Arohan's customer since three years now.

Arohan Financial Services (P) Ltd is one of the leading NBFC-MFIs headquartered in Kolkata. The company provides micro-credit services in around 165 districts of 10 states in the Eastern, North-Eastern and Central Parts of the country including UP, Bihar, Assam, Jharkhand, etc. In its endeavour to provide easy access to financial services to its clients it has impacted more than 12 lakh lives. The company has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life. Arohan also conducts Financial Literacy trainings to encourage and empower more and more women entrepreneurs.

According to Microfinance Institutions Network, a self-regulatory organisation and an industry association of microfinance industry in India, women constitute 99% of micro-credit beneficiaries in the country. Microfinance institutions such as NBFC-MFIs are working towards providing an easy access to financial services to underserved and unbanked population in India.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.