

## Microfinance lends a support to women entrepreneurs

**Guwahati, 17<sup>th</sup> July, 2018:** - Ranjita Mili lives in a distant village of Gorbogha, situated on the banks of Brahmaputra River in Sivsagar, Assam. Ranjitha and her husband, took her first loan from Arohan Financial Services, a Non-Banking Finance Company-Microfinance Institution (NBFC-MFI) to invest in their business of piggery farming. However, due to a contagious disease that spread among the pigs in her area, most of her pigs got sick which made her struggle to meet her daily requirements. She came to know about Arohan's Financial Literacy program (supported by Accion) where they provide a three-day classroom training programme in Gorbogha village, including seven different modules on Financial Planning, Cash Flow and Budgeting, Savings, Debt, Insurance, Investment and Banking. She had heard about the benefits it provided to other women in her community and joined the program. The training program helped her to think out of the box and she decided to take help from the Women's Cooperative Society in Sivsagar and start a weaving business of "Mekhela Chador". She took a second loan from Arohan to set up her business and used the money prudently making a net profit of INR 7,000 just in a time frame of two months. She is now a successful weaver and earns INR 15000 to INR 18000 monthly. She has also opened her own bank accounts and saves around INR 2,000-3,000 every month. "Arohan's Financial Literacy Training gave me the knowledge to make informed financial decisions and start all over again. I have big plans for my son and daughter and want them to have a good future," says Ranjita.

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 of India conducts regular supervision of all NBFC MFIs.