

Fusion Microfinance: Empowering aspiring women in Madhya Pradesh to become self-reliant

Jabalpur, Madhya Pradesh, XX December 2019: Ms. Bhawna Gujar belongs to Jabalpur city in the central Indian state of Madhya Pradesh. The story of Bhawna’s determination and struggle from a dependent individual to an entrepreneur is quite exemplary.

Similar to most of the residents of the village, Bhawna’s family was succumbing under the pressure of the expenses incurred by the family members. Bhawna’s husband, an employee in a cyber-café had a meagre salary which could only suffice the family’s daily household needs. Being the only bread earner in the family, he had to single handedly bear the financial strain of the school fees of 3 children. With all these financial responsibilities, Bhawna’s husband would completely exhaust all his earnings before month end. Sometimes, Bhawna and her husband even had to borrow money from their relatives or friends to suffice their daily expenses.



The family’s urgent requirement of an alternative source of income compelled Bhawna to become financially independent by starting her own saree business in the house. Initially, Bhawna had to use all her savings in order to establish her business. She also borrowed money from her neighbors and relatives but after a certain point, the business could not grow due to lack of money which further led to shortage of stock.

At this time in 2016, Bhawna’s husband informed her about Fusion Microfinance from where she took her first loan of Rs. 20,000 in 2016 and is currently in her 3rd loan cycle of Rs. 45,000. Bhawna utilized her loan amounts to gradually improve her business. Now her shop is all stocked up with a variety of clothes and it is immensely popular among the women of the locality.

Bhawna attributes her success to Fusion Microfinance that provided her with the required financial support to establish her business. She proudly says, “We have come a long way owing to Fusion Microfinance. Our future looks secure, our basic day to day needs are taken care of and our children are able to continue with their studies. I thank Fusion Microfinance for making my family self-sufficient”.

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Fusion Microfinance Pvt. Ltd.- Fusion Microfinance is a registered NBFC – MFI which operates in a Joint Liability Group lending model of Grameen. Fusion as an organization was set-up in 2010. The

company's clients comprises of 100% women living in rural and semi-urban areas and their focus is to reach out to the unbanked and provide financial services to women entrepreneurs belonging to the economically and socially deprived section of the society. The company's responsibilities are not restricted merely to financial support but also to acquaint the clients to manage their financials by disseminating Financial Literacy to them. Fusion believes in robust business practices, transparent policies expressed in our Customer Centric efforts towards our Clientele. Fusion aspires to create value and balanced growth for all its stakeholders while keeping clients at the centre.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. For an industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

NBFC-MFIs are the only regulated financial institutions in the country that 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, 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.

For further information please connect with:

Bhumika Panda | Bhumikapanda@mfinindia.org | +919717738499

Arushi Sharma | Arushi.sharma@ketchumsampark.com | +919711920546

Rupam | Rupam@ketchumsampark.com | +91 9953511727