

## Microfinance lends a support to women entrepreneurs

**Allahabad, 7<sup>th</sup> October, 2018:** Shahanaz Bano lives in village Kairelly of Allahabad along with her three children and husband. She used to be a housewife and faced tough financial situation since her husband earned meagre Rs 6000 per month. Shahanaz Bano decided to start her own beauty parlour so that she would be able to contribute to her family income. However, the lack of capital to start the parlour was a major barrier for her. She came to know about Margdarshak Financial Services, a Non-Banking Finance Company-Microfinance Institution (NBFC-MFI), and their program known as 'Financial Literacy and Women Empowerment Training'. Shahnaz attended the training and learned about savings, credit, financial management, etc. The training gave her the self-confidence to start the venture and she took a loan from Margdarshak for the initial capital. Her parlour expanded slowly and she now earns a good sustainable living from it.

Similar to Shahanaz Bano's life, Margdarshak Financial Services has played key role in the success stories of many women entrepreneurs in Uttar Pradesh. Margdarshak Financial Services is one of the leading NBFC-MFIs working in Uttar Pradesh. The company provides micro-credit services in around 50 districts of five states in Northern India including UP, Bihar, Haryana, Himachal Pradesh and Uttarakhand. In its endeavour to provide easy access to financial services to its clients it has impacted around 2 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. Margdarshak also conducts Financial Literacy and Women Empowerment Training to encourage and empower 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.