

Fincare Small Finance Bank: Fulfilling Dreams of the Underprivileged

Durga Nagar, Madhya Pradesh: Tulsa Bai belongs to Durga Nagar, a small village in Madhya Pradesh. Her story of becoming a dignified individual in her family as well as in her village is aspirational.

Tulsa's family of 4, includes her husband and two children who were struggling with inadequate financial conditions. The income earned by her husband was insufficient to serve the basic requirements of her family. She had to depend on small loans to bear the expenses of her children school fees which impacted their education.

Around four years ago, she was introduced to Fincare Small Finance Bank by her neighbour. The Fincare loan officer apprised her about the operations of the group loan facility and how it helps families to improve their financial condition. On being aversed about all the benefits, Tulsa became a member of the Fincare Small Finance Bank to improve her economic situation.

Soon after becoming a member of Fincare Small Finance Bank, she received her first loan of Rs.26,000, and her life took a positive turn. She opened a small shop at her home, where she started earning Rs. 150- Rs. 200 per day. This boosted her confidence, and with the help of the increased income, she was able to clear all her bank instalments.

After repaying her previous loan, she took another loan Rs.35,000 and started selling bangles. With her consistent efforts, her monthly family income increased from approximately Rs. 6,000 to Rs.15,000 per month, which brought a substantial rise in her monetary condition.

Tulsa is now leading a respectable life in the society and is even able to provide education to both her children in private school. She is obliged and thankful to Fincare SFB for supporting her like many other women in their hour of need.

The support from Fincare SFB gave an immense boost to her confidence, and she became even more determined to become financially secured. Tulsa says ***"We would not have been able to achieve this success without Fincare Small Finance Bank. It was tough to get a loan from banks, and local money lenders would have put us in a lifetime debt. Thanks to Fincare, we are now leading a happy and secure life."***

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Incorporated in June 2017, **Fincare Small Finance Bank** has been formed from the conversion of 'Disha Microfin Limited', an NBFC-MFI. Disha Microfin was one among the 10 recipients of the 'in-principle' approval from the RBI in September 2015, an approval granted to select NBFCs and MFIs to set up SFBs with the objective of furthering financial inclusion.

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 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.

For further information please connect with:

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