

Microfinance lends a support to women entrepreneurs

Rajasthan, August, 2019: Parveen lives in Jhunjhunu, Rajasthan with her husband and four children. She runs a successful vegetable vending business with her eldest son. About two years ago, her husband, who was the only breadwinner in their family, fell seriously ill and became unfit for any physical work. This was a heavy setback for them and they struggled financially. Parveen came to know about Satin Credit Creditcare Network, a Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFI) that operated in her area and extended micro-loans for livelihood activities through someone in her neighbourhood. She enrolled herself as a member and took a loan of Rs 25000 to start a vegetable shop. From there, it was no looking back for her, her son joined in and they both have been working really hard to take care of entire family. Today, their financial status is significantly improved and Parveen is able to send her other children to school.

Similar to Parveen, many women have been benefited from association with Satin Creditcare Network. Satin Creditcare is registered as NBFC-MFI with RBI and is working towards the agenda of financial inclusion in India. It has impacted over 20 lakh lives till date and is present in 18 states today. The organisation has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life.

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.