

Microfinance lends a support to women entrepreneurs

Rajasthan, September,2019: Asmin lives in Hatmi Nagar Jhunjhunu in the state of Rajasthan with her husband Taufique and three children. Taufique is a daily wage labourer and usually stays out of home for most of the time to earn for his family. Asmin wanted to support him and decided to start a business of her own. Asmin had learnt stitching work before her marriage and joined a stitching workshop to brush up her skills. She wanted to buy few sewing machines and was in need of capital to buy them. She 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 in her neighbourhood.

Asmin decided to take a loan of Rs 25000 from Satin and bought few sewing machines to start her sewing business. She also trained few girls under her and employed them that helped her further expand her stitching learning centre. Today, these girls are able to earn livelihood and are supporting their families.

Similar to Asmin, 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.