

Microfinance lends a support to women entrepreneurs

Bilaspur, 17th November, 2018: Asha Vadhwani is a resident of Bilaspur in Chhattisgarh and used to work in a soda shop as an employee. Later on, she and her husband started a small business of selling snacks such as biscuit, papad etc. Asha wanted to grow her business so that she could make better profits and become financially stronger. However, for that she required capital to invest in business expansion. Through one of her friends, she heard about Growing Opportunity Finance, a Non-banking Financial Company- Microfinance Institution (NBFC-MFI) that provides collateral free microfinance to low income households in her area. She borrowed her first loan from Growing Opportunity and started a garment shop. Today, Asha and her two sons are running the garment shop and has a total turnover of rupees six lakh annually with a monthly profit of Rs 25,000.

This is not the only such success story of woman empowerment in Chhattisgarh where Growing Opportunity Finance has played a significant role. Growing Opportunity Finance is one of the leading NBFC-MFIs working in the state of Chhattisgarh. The company was established with the vision to uplift the financial status of the poor households through providing them easy access to the micro-credit. In its endeavour to provide easy access to financial services to its clients Growing Opportunity Finance has impacted over a 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.

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.