

Microfinance lends a support to women entrepreneurs

Bareilly, 6th September, 2018: Kanyawati Devi lives in Majhauwa Gangapur colony on the outskirts of Bareilly with her husband and seven children. With just her husband being the sole earning member, it became difficult for them to meet the basic requirements of their family. Kanyawati decided to start her own dairy business to supplement the household income. She came to know about Satin Creditcare Network, a Non-Banking Finance Company-Microfinance Institution (NBFC-MFI), and after understanding the process and repayment details she took a microfinance loan of Rs 15000 in 2012. She started selling milk to 2-3 clients and over the period of time as her clientele increased she repaid her loan within two years. With her second loan, she expanded her dairy business further and also hired people to help her with the business. Today, she has an average sales of Rs 45,000 and she is able to fulfill not just basic necessities of her family but is also able to provide good education to her children.

Satin Creditcare Network Ltd is one of the leading NBFC-MFIs providing services in Uttar Pradesh. It is the second largest microfinance institution in terms of Gross Lending Portfolio (GLP) with a strong presence in north, east and central India. The company provides micro-credit services in around 302 districts of 18 states including Uttar Pradesh, Bihar, Madhya Pradesh, Punjab, Haryana, Rajasthan, Uttarakhand, Maharashtra and West Bengal among others. In its endeavour to provide easy access to financial services to its clients it has impacted more than 30 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. It also organizes various health camps and other financially literacy programs and believe the real powerful catalysts of society are Women.

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.