

Fincare Small Finance Bank: Helping Women Achieve Financial Independence

Kota, Rajasthan: Microfinance has been playing a critical role in helping women to become self-reliant. The growth story of Manohar Bai, a resident of Nayagaon village in Kota district of Rajasthan demonstrates the importance of micro-credit in her life along with many other economically weaker women, who otherwise have restricted access to mainstream banking services. Her story of courage and determination is commendable towards transforming her family's life from meagreness to financial stability. Manohar Bai's family of four includes her husband and two children who were struggling to manage the daily needs of the family.

Manohar Bai's husband worked as a daily wage labourer and was the sole earner in the family. The meagre income earned was insufficient to meet the basic needs of the family. The family was undergoing a financial crisis and was unable to support the education of their children..

Looking at the grim conditions of the family, one of her neighbours introduced her to a relationship officer of Fincare Small Finance Bank who worked towards financial independence of women by facilitating micro entrepreneurial opportunities. The officer thoroughly informed her about the financial offerings. Post discussing with her husband, she became a member of Fincare Small finance Bank in 2019 and availed her first loan amount of Rs. 26,000 She utilised the loan to start her pottery making business with the support of her husband. Together they made various designs of earthen pots. With sheer dedication and hard work, the business started to grow with improved income.

With an increased demand of her earthen pots, she expanded her business. The income earned from the business significantly improved the financial condition of the family. The couple now is making an annual income of Rs. 1,20,000.

While showcasing her gratitude towards Fincare Small Finance Bank, Manohar Bai said, ***"I am thankful to Fincare Small Finance Bank, which changed the entire course of my life by providing much needed financial assistance. I never imagined setting up my enterprise and having a substantial income before getting financial support from Fincare Small Finance Bank"***

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The journey of **Fincare Small Finance Bank** was the process of coming together of 2 NBFC Micro Finance Institutions, Future Financial Services and Disha Microfin. Disha Microfin received the final license from the RBI under section 22 of the Banking regulation Act, 1949 to launch Banking operations in May 2017. The Bank commenced banking operations on 21st July 2017, with a vision to enable the financial inclusion of the unbanked and underbanked base of the pyramid, mass retail and micro and small enterprise segments with the active participation of the affluent. In the first quarter of FY20, Fincare Small Finance Bank was included in the Second Schedule of the Reserve Bank of India Act, 1934. By virtue of this, our Bank is now a Scheduled Commercial Bank, a status that reflects the highest degree of trust and good governance.

The Indian microfinance sector has come a long way. As per industry data, the overall Microfinance loan portfolio stands at INR 2,31,778 crores as on September 30, 2020 serving 5.71 crore unique borrowers (of which 99% plus are women and for most of whom this would be the first credit facility in their life) with 10.50 crore loan accounts. The microfinance industry operates across 28 states and 4 Union Territories with the network of 14,080 branches with 1,09,521 employees. 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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