

Fincare Small Finance Bank: A Helping hand for Aspiring Women

Bundi, Rajasthan: Kaushalya belongs to Borkhandi, a small village in Rajasthan. Already living in poor financial conditions, her life flipped upside down after the sudden death of her husband. Unprepared to bear the responsibility of her only child, she was succumbing under the pressure of her financial condition. The life-transforming journey of Kaushalya from an unemployed widow to a successful entrepreneur is quite motivating.

After the death of her husband, she faced innumerable difficulties in meeting her daily household expenditures. Keeping all her disappointments away, Kaushalya decided to start her own Tiffin Services. However, she lacked enough funding, which appeared as a stumbling roadblock towards fulfilling her vision.

She was starting to lose hope when one day she came across Fincare Small Finance Bank, a leading microcredit provider, which proved to be a ray of hope to bring her dreams to life. She instantly became a member of Fincare Small Finance Bank and applied for her first loan of Rs.25,000 in September 2017 to start her entrepreneurial journey. Over the time she started getting 60-70 tiffin deliveries a day and her overall income upsurged. By the end of her first loan cycle, she started generating an annual income of up to Rs.40,000.

After successful repayment of her first loan, she took a few more loans from Fincare Small Finance Bank. Kaushalya is now in going through her fourth loan cycle of ₹40,000 and utilized most of it to upgrade the tiffin services. Today her son is also helping her mother to grow the business.

With consistent efforts, her income improved many folds, and now she is making an annual income of Rs.1,20,000 which significantly improved her monetary condition. Kaushalya is currently leading a respectable and stable life and is grateful to Fincare SFB for being a saviour when she most needed the help.

Attributing her success to Fincare Small Finance Bank, Kaushalya said ***“My family’s economic conditions would have never improved if Fincare had not lent us a helping hand in the hour of need. They are doing a great work of empowering women in remote locations where access to financial resources is difficult.”***

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Incorporated in June 2017, **Fincare Small Finance Bank** has been formed from the conversion of ‘Disha Microfin Limited’, an NBFC-MFI. Disha Microfin was one among the 10 recipients of the ‘in-principle’ approval from the RBI in September 2015, an approval granted to select NBFCs and MFIs to set up SFBs with the objective of furthering financial inclusion.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar '19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end-clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. 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 that 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 program 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.

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