

Fusion Microfinance: Empowering Women Entrepreneurs

Samastipur, Bihar: Rinki Kumari belongs to Samastipur, a small village in Bihar. Her life-transforming journey from a dependent homemaker to a successful entrepreneur is quite exemplary.

Rinki and her family were facing inadequate financial conditions for the past few years. The income generated from her husband's flour mill was insufficient to fulfil the day to day requirements of the family of five. They wanted to expand their business to improve their financial condition, but at the same time, they did not want to borrow money. The deteriorating economic situation also impacted the education of their children.

The family was looking for a way to improve their financial condition when Rinki came across Fusion Microfinance through one of her neighbours. After listening about the collateral-free microfinance loan facility, she became a member of Fusion Microfinance to support her family.

Soon after becoming a member of Fusion Microfinance, she received her first loan around three years ago, and her life took a positive turn. She invested that money in expanding their existing business and started working with her husband. Gradually her financial conditions improved, and she successfully repaid her loan.

Currently, Rinki is going through her third loan cycle of Rs. 40,000. With consistent efforts and hard work, their income increased from Rs. 5,000 to Rs. 11,000 per month, which brought a substantial rise in their monetary condition.

Today, she attributes her success to Fusion Microfinance that provided her with the required financial support to establish her business. She proudly says, ***"Today my husband and I work together, earn together and participate equally in the decision making. We have been able to save some money for the future as well. I feel happy with the way my life has turned around. I will always be thankful to Fusion Microfinance; they provided me with an opportunity to utilize my skills and contribute to the family income"***.

Fusion Microfinance Pvt. Ltd.- Fusion Microfinance is a registered NBFC – MFI which operates in a Joint Liability Group lending model of Grameen. Fusion as an organization was set-up in 2010. The company's clients comprises of 100% women living in rural and semi-urban areas and their focus is to reach out to the unbanked and provide financial services to women entrepreneurs belonging to the economically and socially deprived section of the society. The company's responsibilities are not restricted merely to financial support but also to acquaint the clients to manage their financials by disseminating Financial Literacy to them. Fusion believes in robust business practices, transparent policies expressed in our Customer Centric efforts towards our Clientele. Fusion aspires to create value and balanced growth for all its stakeholders while keeping clients at the centre.

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 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, 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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