

Belstar Microfinance - Uplifting the lives of Underprivileged and Empowering the Multi-talented women in Madhya Pradesh

Madhya Pradesh, 11th January 2022: Microfinance has not just been helping the underprivileged women by educating and uplifting their lives but also empowering them to think beyond their regular possibilities. It has played an essential role in improving the lives of many aspiring women in Madhya Pradesh by helping them become independent. Spending most of her life in a kitchen in front of a gas fire, Gita Bai always wanted to make a source of income from whatever little knowledge she had.

Gita Bai always wanted to start her own dairy business, which would not only make her independent, but also help her family, earn additional income. It was way too expensive for her in investing in an LPG connection and she also lacked the skills to invest in any other methods. These were her worries before the HiH (Hand in Hand) India Team had launched their project to motivate more Self-Help Group women into adopting efficient, clean, and sustainable energy alternatives.

The HiH team gave extensive training sessions to Gita Bai and many such women in MP and taught them to use clean and green source of cooking methods. These methods were not just environment friendly but also helped Gita Bai in saving time and protecting her health. Post the detailed training by the HiH team, Gita was able to partner with the local vendors and decided to purchase an induction stove. She was able to do this with the help of little bit of her savings, along with which she sought credit support from Belstar Microfinance team – an NBFC-MFI.

The induction cooking helped her save time from her daily schedule and hence, finally she could kick start her Dairy business in her free time and manage extra income for her family. With all the support and training provided by Belstar Microfinance and Hand in Hand India teams, currently, Gita Bai is living an easy, efficient, green, and self-sustaining life.

Another story is that of a strong, independent, versatile, and multi-talented Ramkali Bai who along with her husband used to work as a daily wage worker at a tile fitter place. The total household income that was being generated by her and her husband was as low as INR 500 per month. They had the responsibility of running the house along with feeding the children. Sustaining with this small income was getting very difficult for Ramkali Bai and her family.

She was very determined to improve the condition of her family and hence Ramkali Bai joined SHG (Self Help Group) under the HiH India (Hand in Hand) team, whereby, she underwent numerous trainings. With a strong spirit at heart, Ramkali Bai was determined to hone her skills and improve her livelihood conditions. She started to have a liking towards the apparel-making skill training and worked hard and got adequately trained to start her own business.

With the help of financial assistance from Belstar Microfinance, Ramkali bai progressed one step closer to reaching her dream of being a businesswoman. By receiving a microfinance loan by Belstar Microfinance, she was able to purchase a Motorized Tailoring machine and she started her business, taking small orders of alteration from her neighborhood.

Over a very short period, her business grew manifold, and her income tripled, allowing her to make some small savings. With the help of another loan from Belstar Microfinance and from her savings, Ramkali Bai was able to expand her business and diversify into multiple lines of businesses. While



managing her tailoring enterprise she also runs a kiosk center which generates a decent income for her family. The multi-talented Ramkali, also dabbles in the sales of modern energy-efficient cooking equipment that would make the lives of many women easy.

With these multiple business ideas and support received from the Hand in Hand India team and the credit support offered by Belstar Microfinance, both Gita Bai and Ramkali Bai are now independent, having better income by which they can live a decent life and give higher education to their children.

Belstar Microfinance was acquired by Hand in Hand group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by the Hand in Hand India (HIH) Self Help Group (SHG) program. It aims to provide financial assistance to more than 0.3 million borrowers within the next 5 years and intends to use its synergy with the activities of the Hand in Hand group to create 5 million jobs by end of 2020. BIFPL started its micro lending operations in a small way in one district in Tamil Nadu and two districts in Karnataka in April 2009.

In the first five years of its operations post acquisition by HIH, BIFPL primarily relied on taking over the existing groups formed by Hand in Hand India (HIH). BIFPL now follows both the SHG as well as the PRAGATI model of lending. Muthoot Finance Limited a listed company and the largest gold financing Company has made a strategic Equity Investment of Rs 40 Crore in the Company in the month of July 2016 and acquired all the stake from the foreign Investors.

As per industry data, Microfinance loan portfolio stands at INR 2,43,737 Crores as on September 30, 2021, serving 5.65 crore unique borrowers with 10.52 crore loan accounts.

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 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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