

Centrum Microcredit Limited: Supporting Micro-Entrepreneurs in Chhattisgarh

Seepat, Chhattisgarh: Microfinance plays an important role in uplifting the lives of aspiring women entrepreneurs in rural India. The entrepreneurial journey of Taran Bai Kumar, residing at Seepat village of Bilaspur, a small town in Chhattisgarh, is an inspiring story highlighting the importance of family support in challenging times.

Due to lack of education and labour work opportunities, Taran Bai Kumar and her husband were unemployed. In order to survive, Taran Bai and her husband were making mud pots and selling in the local village market. However, the income earned was insufficient to support a family of six. Like every parent, they too wanted to provide quality education to their children and see them well-settled in life.

This is when Taran Bai decided to convert her artistry skill into a business opportunity and wanted to expand. Her husband supported her idea of restarting their ancestral family business. However, lack of capital was a hindrance for the couple. While the couple were looking for avenues for a sustainable income, she came across a loan officer from Centrum Microcredit – a NBFC-MFI who offered collateral free loans. The officer explained the couple about the Joint Liability Group Loan and its offerings. She immediately became a member and took her first loan of Rs. 15,000 to purchase pottery tools. With the support of Centrum Microcredit and her hardwork and sleepless nights, the pottery business flourished to a great extent. The beautifully handmade painted mud pots & matkas were not only loved by villagers, but by handicraft enthusiasts within the vicinity of the village. Further, with the increasing demand of the pots, they were able to purchase additional inventory and accept bulk orders. The monthly income of the family improved drastically.

Three years have passed, and with every round of additional finance, she has managed to purchase more supplies to expand her product range.

Attributing her success to Centrum, Taran Bai said, *“I thank Centrum for making my family self-sufficient in challenging times and look forward to receiving bigger orders in future and expand our product line by customising shapes for our customers.”*

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Centrum Microcredit Limited is a regulated Non-Banking Financial Company (NBFC) – MFI. We provide micro credit and other relevant financial services to the un-served and under-served women in urban, semi-urban and rural areas. The company’s aim is to create a positive social and economic impact in the lives of low-income households.

As per industry data, the overall Microfinance loan portfolio stands at INR 2,59,377 crores as on March 31, 2021. 5.93 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 10.83 crore loan accounts. The microfinance industry operates across 27 states and 5 Union Territories with the network of 14,673 branches with 1,19,634 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.

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