

Fincare SFB helps in transforming lives in Haryana

Tigaon, Haryana, October XX, 2019: Mrs. Disha Ghode belongs to Tigaon, a small village in Haryana. Her story portrays a life transforming experience of becoming a dignified individual in her family as well as in the village.

Around 3-4 years ago, the financial situation of Disha's family was not very good. In spite of being a skilled beautician and a proficient teacher in sewing & embroidery, Disha was unable to provide any help to improve the financial status of her family due to the lack of funds. Her husband's meagre income was insufficient to suffice the household expenses. She also tried approaching her friends and relatives for monetary support to sustain her family but received rejection from everywhere.

Undeterred from all disappointment, she was determined to improve her family's situation by becoming financially independent. This is when she came across a group of few women in the neighbourhood who had come for a group meeting of Fincare Small Finance Bank to deposit their loan instalments. The Fincare loan officer explained her about the group loans and also the responsibilities and convenience of the group and how the bank can help in improving the financial condition of families like hers. This persuaded Disha who became a member of the Fincare Small Finance Bank Self Help Group.

From her initial loan of Rs. 20,000, she purchased few items of sewing machine and beauty parlour which earned her a profit of Rs. 8000 per month. The fact that she was able to earn independently increased her confidence. Hence, after repaying her previous loan she took another loan of Rs. 30,000 from Fincare Small Finance Bank with which she bought 4 more sewing machines and started teaching the neighbourhood women to sew.

With her consistent efforts her family's monthly income increased to Rs. 25,000 - 26,000 which was a significant raise in her monetary condition. Disha is now leading a respectable life in the society and is even able to provide education to both her children in private school. She is obliged and thankful to Fincare SFB for supporting her like many other women in their hour of need.

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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 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.