

## **Microfinance lends a support to women entrepreneurs**

**Chhattisgarh, April, 2019:** Ms. Nirmala Singh lives with her family of five in Adarsh Nagar locality that comes under Bilaspur in Chhattisgarh state. Nirmala always wanted to do something on her own so that she can contribute to the family income and support her husband who runs a small bicycle repairing shop. She needed some capital to start her own business and wanted to apply for a credit. But due to lack of document proofs strictly required by banks for a loan she was not able to get any credit from any bank.

She came to know about Sambandh Finserve, a Non-banking Financial Company- Microfinance Institution (NBFC-MFI), that works in her area and provides micro credit to low income households. Nirmala joined Sambandh's ASTHA group and after receiving training on money management she took her first loan of Rs 20,000 to start stationary-cum-fancy store. Since then Nirmala hasn't looked back and has devoted time towards the expansion of her business which has paid off quite well for her and her family. Currently she is into her 3<sup>rd</sup> loan cycle and has taken Rs. 50,000 to increase her stock in shop due to increasing demands from customers. With the increased income she able to send her children to a good school thanks Sambandh for the timely assistance and sharing the knowledge on household budgeting as well as savings that helped her in taking wise decisions with respect to managing her funds.

Nirmala is one of the many women entrepreneurs in Chhattisgarh who were supported by Sambandh Finserve in their endeavour to become independent and contribute to their family income. In its efforts to provide easy access to financial services to its clients Sambandh has impacted over 15 lakh lives. The company provides micro-credit services in 24 districts in Chhattisgarh and Eastern India. The company has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life.

According to Microfinance Institutions Network, a self-regulatory organisation and an industry association of microfinance industry in India, women constitute 99% of micro-credit beneficiaries in the country. Microfinance institutions such as NBFC-MFIs are working towards providing an easy access to financial services to underserved and unbanked population in India.

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.