

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

**West Bengal, May, 2019:** Anjana Sadhukhan is a resident of Janda, Rajballab hat, Hooghly district of West Bengal and lives with her husband Dilip. Earlier, she was only a home maker and her husband was a laborer. They were facing many financial troubles and were finding it difficult to meet education expenses of their son. Though apprehensive, the couple decided to take a risk of starting a small business. Anjana came to know about Village Financial Services (VFS), a Non-banking Financial Company-Microfinance Institution (NBFC-MFI), which provides micro-credit services to women in her area. She contacted VFS local branch and looking at her entrepreneurial traits and deep urge for achievement, VFS provided her with a loan of Rs. 8000 in 2011. Using this capital, she started a small grocery shop in her house. Now she is in the 7th loan cycle and has timely cleared the loan outstanding for the previous 6 loan cycles. With the help of her husband, she has become a seasoned business person, growing day by day with her grocery shop.

Similar to Anjana's life, Village Financial Services (VFS) has played key role in the success stories of many women entrepreneurs in Sikkim. VFS is a microfinance company registered as an NBFC-MFI under Reserve Bank of India. VFS started Micro Finance Operations in 2005 and has its head office at Kolkata (West Bengal). Since then, VFS has grown and has helped many local women entrepreneurs to improve their economic status by providing them credit for income generating activities. It has touched many lives by helping them to become economically self-sufficient. Today VFS is present in 11 states including West Bengal, Bihar, Jharkhand, Assam, Tripura, Sikkim and Orissa and covers over 67 districts through 223 branch offices. The company has been able to positively impact the lives of over six lakh clients by extending micro-credit for income generation activities thus giving them a chance to realise their dreams and 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.