

Fusion Microfinance- A one-stop solution for small business owners in Aatmanirbhar Bharat

Uttar Pradesh, 6th August 2021: Ms. Baby Pawar, a wife of a factory worker and mother of four kids, is a resident of Behat, Saharanpur in Uttar Pradesh. The story of Baby highlights her inspirational journey from a dependent homemaker to a successful entrepreneur.

While she was married off to a factory laborer at the age of 16, she faced several challenges in her life. Her husband earned a meager salary, which was insufficient to fulfill the basic needs of a family of six. Due to lack of capital, she was unable to provide education for her children and afford basic medical expenses.,

Baby decided to support her husband to improve the income of the family. She always aspired to start a beauty parlor business but had no money to buy the required resources for it. However, one day she was introduced to Fusion Microfinance – NBFC-MFI which offered collateral free loans to women to make them self-sufficient. With an understanding about the loan offerings from the loan officer of Behat branch, she received a loan amount of Rs 20,000 from Fusion Microfinance She utilized the amount to purchase beauty products and other essential materials to start a small size business. While she was able to contribute to the bare minimum household expenses with the income generated from the beauty parlour, however it was insufficient to support the cost of living. While she believed in multi-tasking in terms of selling beauty products and offering beauty services, her income increased from zero to around Rs. 8,000 per month.

This is when she decided to expand her business by starting a cosmetic store alongside her beauty parlour by availing another loan from Fusion Microfinance. As months passed by, she converted her shop into one-stop solution to women's fashion by including footwear and dresses. With subsequent loans and support from Fusion, her monthly income increased to Rs. 8,000. Later, she employed four women in her shop and paid them a decent salary. Being able to earn money helped these women to gain confidence to achieve more in their lives. Consequently, Baby took an initiative to train women in tailoring. Baby's success has inspired many other women in her neighborhood.

She is very grateful to Fusion for its continuous support throughout her entrepreneurial journey.

Fusion Microfinance is a registered NBFC – MFI which operates in a Joint Liability Group lending model of Grameen. It aims at reaching out to the unbanked population and provides financial services to women entrepreneurs belonging to the economically and socially deprived section of the society. The company believes in robust business practices, transparent policies and aspires to create value and balanced growth for all its stakeholders while keeping clients at the centre. The Indian microfinance sector has come a long way.

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.

For further information please connect with:

Bhumika Panda | bhumikapanda@mfinindia.org | +919717738499

Nicole Fernandes | nicole.fernandes@ketchumsampark.com | +918779528734