

Abstract

Microfinance Institutions in India are established by providing an array of financial services to support the people from underprivileged categories. MFIs are an inventive development strategy to eradicate poverty through financial inclusion. Among various MFIs, Non-Banking Financial Company–Microfinance Institutions (NBFC-MFIs) are catered to address the economic exclusion by offering prompt and sufficient funding for entrepreneurial activities and plays a major role in empowering women micro entrepreneurs. The primary aim of the study was to examine the impact of various factors that influence the sustainability and outreach of NBFC-MFIs. The study was descriptive and analytical in nature. The required data were collected through a well-structured interview schedule from the women micro entrepreneurs and a questionnaire was used to collect data from thirty NBFC-MFIs managers. Secondary data were collected from the MFIN reports, RBI bulletins, journals and magazines. The study focused on 386 women micro entrepreneurs who borrowed funds from MFIN-registered NBFC-MFIs in Coimbatore district by adopting a proportionate stratified random sampling technique. The study applied various statistical tools, namely descriptive statistics, ANOVA, Kendall's rank correlation, factor analysis, ratio analysis, growth rate analysis, and path model. The findings indicate that borrower awareness, usage of borrowed funds, business, social and financial status have a major effect on NBFC-MFIs sustainability and outreach. Outreach has been directly affected by the business development and institutional sustainability, while the utilization of borrowed funds significantly supports business expansion. Even though the fact that the women entrepreneurs' social standing has little bearing on sustainability, the business empowerment of the borrowers has impacted the long-term institutional growth. The outreach and sustainability operate closely together and are associated with repayment ability, trust and financial viability.

The study concluded that the sustainability and outreach of NBFC-MFIs have a far-reaching impact beyond their immediate financial services. By providing consistent and reliable financial support to the underserved community, it significantly contributes to the broader economic ecosystem by enhancing productivity, stimulating local markets and promoting economic growth. Therefore, the NBFC-MFIs are not only uplifting women entrepreneurs but also acting as a catalyst for sustainable and inclusive economic development.

Keywords : NBFC-MFIs, Microfinance, Sustainability, Outreach, Women, Entrepreneurs.