



Nirdhan Newsletter

**Nirdhan Utthan Laghubitta
Bittiya Sanstha Limited**
(formerly Nirdhan Utthan
Bank Limited)

An MFI Providing Services to the
Poor

A Newsletter of Nirdhan Utthan Laghubitta Bittiya Sanstha Limited — April-July 2020 Edition

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Message from the CEO

Dear Reader,
Greetings!

We are delighted to present you Apr-Jul 2020 Newsletter and to inform you about the ongoing socio-economic activities and progress at the bottom of the economic pyramid. You are updated about Nirdhan Utthan progress report as of July 15, 2020.



Center Meetings have resumed with necessary safety precautions. Pic: Center in Bardiya District.

Nirdhan Progress Report as of Jul 15, 2020

Non- Financial Indicators	Figure
Districts Covered	77 of 77
Branch Offices	181
Local Bodies Reached	532 of 753
Financial Literacy Beneficiaries	19,670 (CFY)
Skill Development Beneficiaries	1,777 (CFY)
No. of Maternity Allowances	2,698 (CFY)
No. of Insurance Claims	1,248 (CFY)
No. of Disaster Reliefs	1,743 (CFY)
No. of Critical Illness Relief	100 (CFY)
No. of Staff	1,182
No. of Centers/SRGs	19,901
No. of Active Clients	374,535
No. of Loan Clients	219,136
Financial Indicators	Amount
Loan Disbursed (NPR)	132.93 Billion
Loan Outstanding (NPR)	20.15 Billion
Savings & Deposits (NPR)	13.34 Billion
Insurance Claims Paid (NPR)	93.28 Million (CFY)
Credit Interest Rates	10% - 17.25% p.a.

Note: Nepali Rupees (NPR), Current Fiscal Year (CFY)

The health and economy of the whole world is at stake in 2020 with the chaos brought in by the COVID-19 crisis. The poor economy has seen a bigger impact during the lockdown period which started on March 24, 2020 in Nepal. The 15th long term plan of Nepal Government has the goal to bring down the population under poverty line to 5% of overall population by 2030 and all the way down to 0% by 2100. The population under poverty

line has progressively decreased from 42% in 1995 to 16.67% on the first quarter of 2020. The microfinance institutions have played a big part in this progressive decrease of population living under \$1.9 a day. The per capita income has seen a marginal increase from \$1039 per year in FY 2018-19 to \$1085 in FY 2019-20. However, these positive indicators have been hit hard by corona virus pandemic and it is almost certain that the after pandemic figures will leave us a few years back in terms of these progresses made so far within the economy supported by Nirdhan and fellow microfinance institutions to enrich the low income households through many different income generating activities. Nirdhan as an organization has now got a little more than ever to work on to achieve our long term goals of helping to increase employment, income and skills of the poor population of Nepal.

-Janardan Dev Pant

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Maternity Allowance

Nirdhan distributes maternity allowance to its maternity clients in a regular basis. Maternity period is a very sensitive period for mothers and they need nutritious food to keep themselves and their child healthy. To help the same cause Nirdhan has been providing Rs. 1,600 up to 2 times to its member clients.

Nirdhan distributed **2,698** maternity allowances during FY 2019/20 amounting to a total of **Rs. 3.48 million** to maternity clients through different branches.

Disaster Relief

Nirdhan distributes Relief to the members who are affected by natural calamities such as flood, landslide, earthquake, tornado, fire etc. During FY 2019/20, Nirdhan distributed **1,743** reliefs amounting to **Rs. 2.25 million**. These reliefs were provided to the victims of natural calamities damage. The amount of relief distributed to the members depend on the damage caused to them and their household.

Critical Illness Relief

Nirdhan has started providing Critical Illness Relief to the members and the household from this FY. The value of relief is Rs. 5,000 per case. The critical illness include cancers, major organ damage, major heart diseases, and other major illnesses as recognized by the Critical Illness Relief Manual of the organization. Nirdhan provided **100** Critical Illness Relief during FY 2019/20 amounting to a total of **Rs. 500 thousand**.

Distribution of Compensation

Nirdhan also distributes compensations in the event of death or accidents of its member clients to their family who were insured through the micro-insurance service facilitated by Nirdhan Utthan LBSL. Nirdhan distributed **1,248** compensations during the FY 2019/20 amounting to a total of **Rs. 93.28 million** to the family of deceased clients through its different branches across the country. Nirdhan Utthan provides the insurance facilities to its clients through co-operation with the best value major insurance company in the market. The insurance premiums charged to the clients are negotiated by Nirdhan to offer value without compromising on the benefits offered by the insurance to its clients.



Insurance Compensation of husband's death being presented to Sunita Rana of Odari Branch, Kapilvastu District



Distribution of Maternity Allowance to Ramrajiya Tharu of Imiliya Branch. File Photo

COVID-19 Relief Support

Nirdhan has made a contribution of **Rs. 20.93 million** through **19,905** centers for rehabilitation of businesses affected by the COVID-19 pandemic. These amounts are deposited in the center's group fund and the members can choose the most affected members from among the group and help them.

Nirdhan had previously made a contribution of Rs. 400 Thousand on each of the seven provincial Corona Virus Funds operated by the government of each provinces. The total of **Rs. 2.8 million** has been donated to the Corona Virus Prevention and Treatment funds established by the province governments. A total of **Rs. 23.73 million** has been contributed by the organization for COVID-19 related relief during the FY 2019/20.



*COVID-19 Support being presented to the Chief Minister of Sudurpaschim Province
Mr. Trilochan Bhatta*

Nirdhan Scholarship Funds

Nirdhan has started establishing Nirdhan Utthan scholarship funds in remote schools which can help award scholarship to 2 students from each class every year. A total of **9** scholarship funds, each of Rs. 500 thousand has been established through 7 regional offices this year. The fund is used to provide scholarship to talented but poor students. This will help them continue their studies instead of being a dropout.

Nirdhan has made a total of **Rs. 4.5 million** contribution in scholarship fund during the FY 2019/20. Shreeganga Secondary School, Mangalsen, Achham District and Shree BP Primary School, Parsuram, Dadeldhura District from Sudurpaschim Province; Shree Laxmi Secondary School, Kohalpur, Banke; Shree Pragati Secondary School, Devdaha, Rupandehi District and Shree Krishna Gandaki Secondary School, Rambha, Palpa District of Province 5; Shree Bhawani Bidhyapith Secondary School, Falebas, Parbat District of Gandaki Province; Shree Om Shanti National Preliminary School, Ramnagar, Chitwan District of Bagmati Province; Shree

Chinna Masta Bhupendra Sanskrit Secondary School, Chinnamasta, Saptari District of Province 2 and Shree Chandra Bhanu Jyoti Secondary School of Bhadrapur, Jhapa District of Province 1 are the 9 schools to receive the funds during the FY 2019/20. The schools with these funds will operate the funds in an operating module that makes sure the fund is not misused by anyone and the committee is set up to overlook the best use of the funds available.

Nirdhan has plans to continue with the establishment of these kind of funds in more schools in rural places of Nepal in the coming years as well. This is one of the ways Nirdhan is helping to reduce dropouts in rural schools across Nepal.



Scholarship provided to the best student from Pokhara Regional Office.

Fish Business Brought Happiness in the Family

31 years old Amisha Kushmi from Joshipur Gaunpalika-2 of Kailali District is well known for her fish business. She has a concrete house with 2 rooms from where she operates her fish business along with a grocery business to make an average earning of Rs. 50 thousand per month. From her business income she has built a two room house and bought a patch of land of 1 kattha 10 dhur area at Tikapur. Her business is covering up expenses of 6-member household. She is also receiving a lot of help from her husband, father-in-law and mother-in-law. Since this business helped her uplift her lifestyle, she is now planning to extend her fish business in a new market.

Amisha Kushmi is the only daughter of Gol Gokarna Dagaura and Kalawati Dagaura. She was born in Bhajani Municipality-8, Chhachharhawa of Kailali District in a middle-class family. Her family consisted of 6 members who were her parents, brother, brother's wife, nephew and herself. Due to the mentality of Tharu society that the girls should not be taught but rather do household activities, she didn't get chance to study after completing 8th grade at Nawalpur School. She got married at the age of 18 with Dharmendra Kushmi of Joshipur Gaunpalik-2 of Kailali District in 2004. After marriage she was involved in labor work and agriculture to run a large family of 12 members. Their family's economic condition was very poor and in the same year of her marriage her father-in-law got separated from other brothers which created more problems. Amisha had a situation of running a grocery store and sell fish on footpath to run her family. As it was difficult to run her household with the income made from her small business, she wanted

to expand her business but she did not have enough funds to do so.

In 2014, she became a member of newly created 15-member group operated by Nirdhan Utthan and attended a 7-day financial literacy training which taught her a lot of financial ideas. Ashima needed a loan to expand her business so she took a loan of Rs. 40 thousand as soon as she became member of Nirdhan and invested that amount to increase the size of her business alongside building a weak house on her land for business purpose. Later, she took another loan of Rs. 60 thousand and started selling vegetables as well at her grocery shop. As her income increased she built a 2-room concrete house next to the road in her own land for business purposes. She took another loan of Rs. 100 thousand to expand her fish business into fish dealership. Currently, Amisha Kushmi's fish business is the best Fish Supplier Dealer in Joshipur area and she has also opened a fresh house alongside. Now she is stress free. Her husband helps

her in every step and motivates her. Currently she sells 300-600 kg fish and 50-90 kg meat on a daily basis.

Amisha said that she is covering up household expenses alongside schooling her daughter at a good boarding school. She is planning of buying more land in Tikapur from her business income. She feels proud when she remembers her past about how she started her business with Rs. 1000 and now with Nirdhan's help she is able to earn Rs. 50 thousand profit every month. She added that if the bank loan is utilized properly with hard work then success is not hard to achieve even if there is no capital in the beginning. Further, its possible to earn money easily in our own country without going abroad if we are hard-working, honest and patient.

Writer: Mr. Rajendra Rana, Branch Office, Joshipur Branch, Kailali



Amisha Kushmi with her husband at her Fish shop, behind is her grocery store. (File Photo)