

Microfinance lends a support to women entrepreneurs

Karnataka, March, 2019: Sunanda, a resident of Ameengad, Bagalkot in Karnataka, used to weave clothes at her home while her husband took orders from the local shops. They used to procure the raw materials from the shop owners only. Together they were able to manage to earn Rs 5,000-6,000 per month from their business. However, the income was not enough to enable her to meet her household expenses and they were perpetually facing financial stress. She heard about the Sahyog program run by Axis Bank that provides micro credit services to customers from low income household. She immediately applied for a loan and used the capital to buy raw materials on her own. Sunanda started weaving sarees which her husband supplied to the local shops. Gradually, their earnings improved along with their profit margins. Her income got almost doubled which significantly improved her financial condition.

Axis Bank started its microfinance operations through its branch network under flagship program Axis Sahyog in Feb, 2013. The program aims to lend small ticket unsecured loans in the range of Rs 10,000 to Rs 50,000 to economically active poor women individually or under Joint Liability Group (JLG). These loans help the women to expand their existing businesses or take up new livelihood activities. The bank has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life. The program is presently operational across 17 States and 1 Union Territory namely Assam, Bihar, Chhattisgarh, Goa, Gujarat, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Pondicherry, Rajasthan, Sikkim, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal.

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. Institutions offering micro credit such as Banks, NBFC-MFIs, Small Finance Banks etc are working towards providing an easy access to financial services to underserved and unbanked population in India.

These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.