

Microfinance lends a support to women entrepreneurs

Madhya Pradesh, February, 2019: Mrs. Sharmila Kakode resides in an interior village 'Varakhadi' of Madhya Pradesh. People from this village earn their livelihood from agriculture and allied activities. Like the other people in the village, her family of eight people was also dependent on agriculture and was deeply in debt due to the agrarian crisis. Sharmila was always looking for options to become an earning member in the family and this is when she decided to bring a change in their life by starting animal farming. She came to know about ESAF Small Finance Bank and took an Income Generation Loan (IGL) of Rs. 20,000 to buy five goats. By adopting agriculture and complementary goat rearing, Sharmila has become an example of mixed farming. This has proven to be an important source of livelihood for her family and presently she has 10 goats and earns around Rs. 5,000 per month.

In its endeavour to provide easy access to financial services to its clients ESAF Small finance bank has impacted over 1.2 million lives. The vision of ESAF has been always to support women from unbanked rural areas to create sustainable livelihoods. ESAF Small Finance Bank was amongst the ten NBFCs to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a Small Finance Bank in the private sector. The company has helped many local women entrepreneurs to improve their economic status and realise their dreams to 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. Institutions offering micro credit such as 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.