

Microfinance lends a support to women entrepreneurs

Prayagraj, August, 2019: Shiv Devi is a resident of Prayagraj in Uttar Pradesh and lives there with her husband and children. Few years back, drought ruined their entire agriculture crops and at the same time her cow had also stopped giving milk which adversely affected the family's earnings. They did not even have savings and as a result, they faced extreme financial difficulties. Shiv Devi came to know about Utkarsh Small Finance Bank that provides micro-loans for livelihood activities to women in Groups, called Joint Liability Groups, in their area through her friend. She took an initial loan of ₹10,000/- and started a business of grocery shop and with subsequent loan of ₹15,000/- she further increased her stock in the shop.

The initial earnings from their shop were only ₹2,500 to ₹3,000/- per month which was not sufficient to meet the requirements for her family. To enhance her earnings, she decided to start an additional business of livestock by purchasing a milk cow and for that Utkarsh granted her further loan of ₹18,000/-. Subsequently, her earnings from shop and selling milk increased to ₹9,000/- per month. Today, she has a flourishing grocery business and has also built a cemented house for her family.

Similar to Shiv Devi, many women have been benefited from association with Utkarsh Small Finance Bank. Utkarsh Small Finance Bank Limited (USFBL) operates in 139 Districts of 11 states in India. It has positively impacted 2 million lives and has a microfinance portfolio of Rs 40,769 million. The organisation 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.