

Utkarsh Small Finance Bank: Uplifting the Life of Underprivileged Women in Uttar Pradesh

Varanasi, Uttar Pradesh, 11th October 2021: The success story of a small-scale toymaker, Lakshmi, a 35-year-old woman living in Pandeypur area of Varanasi is a true testament of the fact that hard work, coupled with skills has the power to change one's destiny.

Her husband Prem Kumar was a daily wage labourer working across construction sites and his salary was insufficient to meet the basic needs of the family of six. Lakshmi, always desired to do something big to improve the financial condition of her family. This is when she decided to start making toys, however lack of capital without any collateral was a limitation. On the advice of her neighbour, she attended a Joint Liability Group meeting organised by Utkarsh Small Finance Bank

On getting a fair understanding on the same, she received her first microfinance loan amount of Rs 15,000 and used it to purchase raw materials and started with an entrepreneurial journey of toy-making. With time she made variety of toys basis the demand of her customers and also started colouring toys for decoration. Later, she made toys to be used to decorate household as well. Within the first two years, she started receiving orders from toy business owners who have been running their business in metros. Additionally, the toys were also liked by tourists sold by 'Lakshmi Tai' in the famous Vishwanath market of Varanasi.

The monthly revenue generated from the toy selling business helped Lakshmi repay the loan instalments and helped her to open a toy store as well. After three years, she also applied for her second loan amount of Rs 20,000 in 2017 and Rs 50,000 in 2020. She has now also opened another cloth materials/fabric shop which is managed by her elder son. With the financial support from Utkarsh Small Finance Bank, she was able to provide quality education to her children along with improving the financial condition of her family.

Lakshmi is very thankful to Utkarsh Small Finance Bank who granted loans during challenging times. She has also been recommending Utkarsh to her friends and extended family.

Utkarsh Small Finance Bank is a proud solitary Small Finance Bank from Varanasi. Established in 2009 with the mission to empower the low-income group financially, it has reached to new heights today. The objective of our bank is 'Ummeed' - giving hope to customers for fulfilling their dreams and needs. Over the years, the entity has extended their services to 112 Districts of 11 States. Today they have a base of more than 15 lakh satisfied customers with 400 Banking Outlets.

As per industry data, Microfinance loan portfolio stands at INR 2,37,369 crores as on June 30, 2021, serving 5.68 crore unique borrowers with 10.30 crore loan accounts.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low-income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort.

The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda. NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.

For further information please connect with:

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