

## **Utkarsh Small Finance Bank: Supporting Ambitious Women Entrepreneurs**

**Odisha:** To support women to become independent and self-sufficient, Microfinance has played a critical role. The growth story of Minati Nayak, a resident of a small district called Turang in Angul of Odisha demonstrates the importance of micro-credit in her life along with many other women from an economically weaker section and have restricted access to the formal credit facility. Her story of hard work and perseverance to transform her family's life from meagreness to financial stability is commendable.

Living in a family of six, Minati is a well-educated woman. Before marriage, she wanted to become a singer. However, she could not achieve her dreams due to poor financial conditions. Until a few years ago, her husband ran a small grocery shop that was their income source. However, having a limited stock, he could not generate much income out of his small shop. The family was facing grave difficulty in meeting their day-to-day requirements.

Looking at the poor financial condition, Minati decided to support his husband in his business. Through a neighbour, she learned about a group meeting organised by Utkarsh Small Finance Bank. She learnt how taking a loan helped women start their respective businesses.

She was hesitant initially, but after discussing with her family, she joined the Joint Liability Group of Utkarsh Small Finance Bank and applied for the first loan of Rs. 20,000. She invested the loan amount in buying more products for their shop.

Gradually the business grew, and so did their income. She successfully repaid her first loan and decided to take additional loans to expand her business further. Soon after, she availed loan the second loan of Rs. 40,000 from Utkarsh Small Finance Bank.

She is now leading a prosperous life, and the household is now earning twice as much they used to before associating with Utkarsh Small Finance Bank.

Minati is thankful to Utkarsh Small Finance Bank, who helped her achieve all her dreams. She looks forward to long and fulfilling associations with Utkarsh Small Finance Bank in the future.

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**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.

The Indian microfinance sector has come a long way. As per industry data, the overall Microfinance loan portfolio stands at INR 2,32,648 crores as on December 31, 2020 serving 5.83 crore unique borrowers ( of which 99% plus are women and for most of whom this would be the first credit facility in their life) with 10.50 crore loan accounts. The microfinance industry operates across 27 states and 5 Union Territories with the network of 14,437 branches with 1,14,733 employees. For an industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

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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