

ESAF SFB helps in transforming lives in Madhya Pradesh

- *Aids aspiring women entrepreneurs to be financially independent*

Microfinance is a mode for providing a promising future to the likes of Laxmibai Dolekar by making them financially secured. Born with a physical deformity in the eye in a poor household of a village called Tikari near Betul in Madhya Pradesh, Laxmibai had a very difficult childhood. Above all, she was married to a guy from a nearby village at an early age of 12 years. Even after marriage, her life had no happiness as her husband taunted her for her looks thus constantly reminding her of her visual defect. Just after 6 months of her married life, her husband left her with her parents and brother for good. The neighbours sympathized with her parents on her misfortune which further disturbed her.

With shattered dreams and a troubled mind, Laxmibai continued to stay with her maternal side of the family but being a woman of high self-respect, she did not want to become a burden on them. Proficient in the art of basket weaving, Laxmibai thought of earning a living out of her talent and as the saying goes 'where there is a will, there is a way', Laxmibai became aware of ESAF SFB and its financial services. She joined the self-help group of ESAF SFB and availed her first income generation loan (IGL) amount of Rs. 7000 in 2009 with which she purchased bamboo as raw material and quickly made baskets, flower vases etc. out of it. Soon, she started making more value added products using the same raw material and her products were easily sold out in the market.

In the year 2011, Laxmibai took a 2nd IGL of Rs. 12,000. Gaining confidence in her ability to expand her business, she took a general loan of Rs. 5000 and an IGL of Rs. 15,000 in 2013 post which she further took an IGL of a higher amount of around Rs. 25,000 in 2015, a general loan of Rs. 10,000 in 2017 and finally a business loan of Rs. 45,000 in 2018. With every increasing loan cycle, she not only improved her stock but was also able to scale up her earnings from Rs600-700 per week to Rs 3,000- 4,000 per week.

She has not only become a self-made entrepreneur, but also wishes to employ women who are beaten by fate just like her. In Laxmibai's own words, "I am grateful to ESAF SFB with whose support, I was able to take care of my old parents and brother on whom my life depended till some time ago. ESAF SFB rescued me from my misfortunes and provided me with a better standard of living and respect in the society.

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ESAF Small Finance Bank formerly known as ESAF Microfinance is an Indian small finance bank providing banking services and small loans to the underbanked. Before becoming a bank, ESAF was a NBFC-MFI, licensed by the RBI and headquartered in Thrissur city of Kerala.

Last year, ESAF was the first bank from India to become a member of the GABV- Global Alliance for Banking on Values, a network of sustainable banks including credit unions, community banks and microfinance banks around the world, who work towards the goal of touching one billion lives by 2020 through sustainable banking. So far, ESAF has brought approximately over 30 lakh women into

the financial inclusion space across 15 states in India.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. 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.

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