

Microfinance lends a support to women entrepreneurs

Gujarat, June, 2019: Hansaben Tikabhai Zala is a resident of the village Zala na Muvada which is located in Gandhinagar district of Gujarat. In 2011, she had only one cow which was not enough to meet her financial needs and she wanted to buy more cattles to increase her income. However, she did not have enough capital. She came to know about Fincare Small Finance Bank which operated in her area and gave micro loans for livelihood purposes. She took a loan of INR 12,000 and bought her second cow and after successfully paying off her first loan she took another loan to further expand her business. Today, she has successfully completed four loan cycles and has eight cattle. She has an yearly income of INR 5 lakh and she is able to take care of all the financial needs of her family.

Similar to Hansaben, many women have been benefited from association with Fincare. Fincare is a small finance bank with the objective of furthering financial inclusion. 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.