

Fincare Small Finance Bank: Uplifting Women Entrepreneurs and Enabling Financial Inclusion in Atmanirbhar Bharat

Gujarat, 11th April 2021: Microfinance has been playing a crucial role to uplift women entrepreneurs and helping them become financially independent. It facilitates financing of micro/smaller new businesses and the growth of existing businesses operated by women entrepreneurs. The life-transforming journey of Kapilaben Solanki, a resident of Manjusar Village in Vadodara, Gujarat, from a dependent homemaker to a successful entrepreneur signifies the importance of micro-credit in her life.

Kapilaben’s husband Thakorbbhai Solanki had a small shop on the roadside to sell seasonal fruits and vegetables. It was difficult to keep the perishable goods fresh overnight leading to the wastage of the unsold fruits and vegetables. This impacted their quantum of regular income and on most occasions, they had to incur losses. Also, the income earned was just about bare minimum to fulfil the families’ basic needs and manage other household expenses. The couple desperately wanted to rent a shop for a steady income and avoid losses. However, with her husband’s meagre income and nil savings, it was very difficult to do so.

Kapilaben always aspired to become an entrepreneur and contribute towards the substantial rise in their monthly monetary income. In the year 2018, she was introduced to the group loan offering from Fincare Small Finance Bank. Financially deprived women like her had availed collateral-free group loans and were contributing to the family’s income. This gave her hope and inspiration to commence her entrepreneurial journey. She contacted the loan officer of Fincare and availed her first microcredit loan of Rs. 26,000 to purchase stock and rent a shop. A compulsory group training conducted by Fincare Small Finance Bank prior disbursement of the loan gave her the required confidence.

Gradually, over time, her income increased, and she started making profit. During the training she had understood the importance of periodic regular payback, and successfully maintained a good credit score by repaying the first loan amount. By the end of her first loan cycle, she started generating an annual income of Rs. 1,20,000. By the time she applied for the second cycle loan, she was already empowered with a savings account and a debit card. She could enjoy easy access to all her banking needs. It gave her a new identity and she never looked back. Kapilaben is currently repaying her existing loan of Rs. 40,000 with ease and focusing on increasing her income further with better profits.

Kapilaben attributes her success to Fincare Small Finance Bank that provided her financial support to improved standard of living and lead a meaningful life. Her transformation from a housemaid to an entrepreneur has become an inspiration to other women in her village. She proudly says, “Microfinance institutions are like goose that lay golden eggs, and it not only provides formal financial access but also lends helping hands in the hour of need. I am personally indebted to Fincare Small Finance Bank for transforming my life for good and giving me Financial stability”.

Incorporated in June 2017, Fincare Small Finance Bank has been formed from the conversion of 'Disha Microfin Limited', an NBFC-MFI. Disha Microfin was one among the 10 recipients of the 'inprinciple' approval from the RBI in September 2015, an approval granted to select NBFCs and MFIs to set up SFBs with the objective of furthering financial inclusion.

Fincare Small Finance Bank has a suite of smart banking products such as Savings Accounts, Current Accounts, Fixed Deposits, NRI Fixed Deposits, Recurring Deposits, Micro Loans, Cash Overdraft, Loans against Gold, Loan against property, Institutional Finance and Two-wheeler Loan. Fincare SFB serves over 28+ Lakhs customers across 19 States/UT. The Bank also has over 700 + Banking outlets with a workforce of over 8000+.

As per industry data, Microfinance loan portfolio stands at INR 2,56,058 Crores as on December 31, 2021, serving 5.57 crore unique borrowers with 10.58 crore loan accounts.

NBFC-MFIs are the only regulated financial institutions in the country that 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:

Bhumika Panda | bhumikapanda@mfinindia.org | +919717738499

Sucheta Ghosh | sucheta.ghosh@ketchumsampark.com | +919875325692