

Utkarsh Small Finance Bank: Enabling women to become Self-reliant Business Owners

Madhya Pradesh, 9th August, 2021: It was way back in 2014, when Soma Bai opened the doors to a better future for her family. Residing in Jhilmili, a small village in Jabalpur district of Madhya Pradesh, Soma Bai's story of grit and determination took her a long way from pushing her family from the confines of poverty to financial stability and ensuring the provision of quality education to her three kids.

The income earned by her husband enabled a head-to-mouth survival of the family on a day-to-day basis. She felt helpless looking at the deteriorating situation of her family and was always worried about the future of her children. She was determined to help her family lead a stable life.

In 2014, Soma Bai's neighbour turned to be a good samaritan. Her neighbour explained Soma on the new avenue of generating opportunity for herself as a small business owner. Getting to know about inspirational struggle stories of women entrepreneurs in her village gave her a ray of hope too. She immediately registered herself as one of the members of Utkarsh Small Finance Bank and requested a microfinance loan amount of Rs 15,000. With this amount, she opened a small grocery shop and purchased therequired grocery items for her store.. To ensure a better sale at the very beginning of her business, she introduced the '1+1 free offer' on all the goods available in her shop. This scheme attracted the customers to purchase different products, enabling customer retention at the same time. Within a short span of time, she received orders from customers for products to be home delivered as well. With sheer hardwork and perseverance, she was able to increase the income of the family to a larger extent. Eventually with a good credit discipline and timely repayment of the loans, she availed additional loans of Rs. 30,000 in 2016 and Rs. 60,000 in 2017 from Utkarsh Small Finance Bank.

With the demand for daily essentials increasing, she decided to expand her small grocery store. The loan officers from Utkarsh Small Finance Bank assisted her in making sound financial decisions for her business. At present, she has borrowed a loan amount of Rs 75,000/- to shift to a bigger shop and aims to diversify her product collections soon.

She gives the credit of her business success to Utkarsh Small Finance Bank for providing financial assistance to her in challenging times and helping her become an independent working woman.

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, the overall Microfinance loan portfolio stands at INR 2,59,377 crores as on March 31, 2021. 5.93 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 10.83 crore loan accounts. The microfinance industry operates across 27 states and 5 Union Territories with the network of 14,673 branches with 1,19,634 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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