

Oikocredit buys stake in ESAF Microfinance

Our Bureau

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The Netherlands-based Oikocredit International has bought a 12 per cent stake in ESAF Microfinance and Investments (P) Ltd (EMFIL), one of the largest microfinance companies in India, through its fully-owned subsidiary Manaveeya Holdings and Investments, Hyderabad.

Oikocredit is a 30-year old global Development Financing

Institution that responds to the needs of businesses that create jobs and incomes for disadvantaged people. Through this deal, the capital base of ESAF Microfinance has crossed Rs 30 crore. The deal was aimed at generating capital for the company to expand its business. The company aims to reach out to one million poor households by 2014. "ESAF Microfinance always focuses on reaching the unreached. Our association

with Oikocredit reinstates our social mission," Mr Paul Thomas, Founder and Managing Director, ESAF Microfinance, said. Modelled on the lines of Grameen Bank, the ESAF Society was launched in 1992. The objective was to create opportunities by undertaking various developmental activities such as Micro Enterprise Development, Human Resource Development and Community Development. Even though the

microfinance activity of ESAF was started in 1995, the company, ESAF Microfinance and Investments (P) Ltd (EMFIL), began operations as an NBFC registered under the RBI in 2008. Currently, ESAF Microfinance has over 2.50 lakh clients, and a cumulative disbursement of loans worth Rs 630 crore, apart from an outstanding loan amount worth Rs130 crore. According to a report by Mixmarket, the compa-

ny has been ranked among the top 100 MFIs in the world.

It is the one and only microfinance company in Kerala graded 'mfr4' by Crisil ratings. In addition to microloans, it also provides micro-insurance, healthcare, homes and infrastructure and retail services for the poor. ESAF Microfinance, which has a presence in six States in India, recently expanded its operations to the North and Central regions.