

Press release

Grameen Crédit Agricole Foundation grants a €3M loan to Pahal in favour of financial inclusion in India

March 2021. With about 190 million adults without a bank account, India has –after China– the second-largest unbanked population in the world (World Bank). The microfinance sector has become a key instrument to fight financial exclusion in the country by providing financial and non-financial services to people excluded from the banking system. The sector has shown spectacular development: it reaches 60 million borrowers, for a total portfolio of 27 billion euros.

To support the development of microfinance in India, Grameen Crédit Agricole Foundation has granted a loan of 3 million euros over 3 years to Pahal Financial Services Private Limited, an Ahmedabad (Gujarat) based microfinance institution. Since its creation in 2011, Pahal has served nearly 750,000 customers, mainly women borrowers, across 167 branches with total assets under management of 81 million euros. Today, Pahal is one of the fastest growing microfinance institutions in India thanks to innovative and diverse product offering for low-income people.

“With this new partnership, the Grameen Crédit Agricole Foundation strengthens its action in favour of financial inclusion and women empowerment in India. This funding is our first direct exposure in India, using the External Commercial Borrowing channel recently opened by the Reserve Bank of India. The company has shown in many occasions its resilience and we trust that Pahal, its clients and the whole industry are recovering fast from this crisis”, said Caroline Brandt, Senior Investment Manager at the Foundation.

“Grameen Credit Agricole Foundation’s debt line is a validation of Pahal’s business model and displays the resilience of the microfinance sector in India”, said Kartik Mehta, Co-Founder and Managing Director. “We at Pahal are determined to be a part of financial inclusion agenda for the vulnerable sections of the society. This money will be used to onlend to the women borrowers of Pahal”, added Purvi Bhavsar, Co-Founder and Managing Director.

The Foundation’s financial support comes at a time when the microfinance sector is emerging out of the Covid-19 crisis. After lockdown relaxation, the anticipated microcredit demands are expected to trigger swift recovery of the sector. Pahal, in partnership with the Foundation, will support its borrowers to help them restart their businesses.

Press contacts

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For more information

Pahal Financial Services Pvt. Ltd. Pahal

Pahal is a company registered with Reserve Bank of India as a Non-Banking Financial Company that provides microfinance services to the low-income households. Mr. Kartik Mehta and Ms. Purvi Bhavsar, ex-bankers with over 50 years of combined experience, founded the company in 2011. It is based in Ahmedabad and has 167 branches with over 1,400 employees. Pahal has been supported by BOPA (Base of Pyramid Asia) and Opportunity International (through their Indian subsidiary: Dia Vikas) in terms of equity investments. Pahal has touched the lives of millions of poor families by providing them credit for income generating activities. Currently, Pahal serves over 300,000 active clients of whom 98% are women, with total assets under management of €81 million.

For more information: <https://www.pahalfinance.com/>



Grameen Crédit Agricole Foundation

Created at the joint initiative of Crédit Agricole and Nobel Peace Laureate Pr. Muhammad Yunus, the Grameen Crédit Agricole Foundation contributes to the fight against poverty by promoting social entrepreneurship and financial inclusion. Since its creation in 2008, more than €250 million in loans have been granted to more than 100 microfinance institutions and social enterprises working in around 40 different countries. The Foundation currently supports more than 85 organisations, with a portfolio of €82 million. It primarily targets microfinance institutions serving women and rural populations. These institutions support over 7 million people, 87% of whom are women and 83% of whom live in rural areas.

For more information: <https://www.gca-foundation.org/en/>

