



"The sole social evil is darkness, humanity is identity, for all men are made of the same clay."
Victor Hugo

- Thapasya Thankaraj
D/o Lalitha S., Ambalappuzha Branch – Plus 2
- Chinchu Varghese
D/o Shuby Varghese, Pattikkad Branch -Plus 2
- Jenisha J.
D/o Swamy Selvam, Elappara Branch – Plus 2
- Serene Annie George
D/o George Thomas, Head Office – 10th
- Sreelakshmi K.
D/o Baby K., Nenmara Branch – 10th
- Salna E. S.
D/o Shani K. S., Irinjalkkuda Branch – 10th
- Catherine Raj P. S.
D/o Philo C., Thoothur Branch – 10th
- Anjana K. G.
D/o Lasitha K. N., Kodungallur Branch – 10th
- Sreejith K. Marar
S/o Sunandha Suresh, Head Office – 10th

FOOD FOR THOUGHT

Big money chasing microfinance

So even if regulations and restrictions are preventing foreign investors from enlarging their share of the Indian financial pie, investors are now chasing the microfinance sector. The share of foreign holding in Indian microfinance sector has risen to nearly a third. A few years ago, it was just about a fifth. International Finance Corp and private equity investment firm Caspian were the one to invest in Indian microfinance companies when their funding dried up. When more than half the Indian population is untouched by organized finance, the potential of microfinance is simply huge.

In fact the overseas investors are indirectly supporting the entrepreneurial spirit of rural women folks. The mix of investors vary from IFC to Michael & Susan Dell Foundation, Citi Venture Capital International, Caspian, Sequoia Capital and Legatum. Microlenders have raised 2000 cr in capital in the past three years and they may need about 1800 cr of equity in the next few years. SIDBI is the lone state run equity provider to smaller MFIs, but a pitiable 100 cr corpus is merely a drop in the ocean.

Rating companies such as ICRA and CRISIL expect about 35-40% growth for MFI loans in the next 3 - 4 years. The need of the hour for the small MFIs is to invest in capacity building and address issues on corporate governance.

FROM THE WORLD OF MICROFINANCE

The West Africa Microfinance Conference

The 2014 West Africa Microfinance Conference was held under the theme "Reducing Extreme Poverty through Microfinance". The program held in July targeted 300 experts in the microfinance sector, ICT, Media, Civil societies, telecom, academia, banks, policy makers and legislators to share knowledge and information on the best practices in the field and how the sector could be improved to meet its original objectives. It also gave an opportunity to develop a road map to a legislative framework for the sector.



The program discussed topics like corporate governance and the sustainability of microfinance, legal and regulatory framework for the microfinance sector, identifying investment opportunities within the current sub-region microfinance market, alternative banking in enhancing business: the roles of Telco's mobile money/cash products, the roles of peace in wealth creation among others, coordinating regulatory policy and legislative instruments to develop a functional framework for the microfinance sector and there was a panel discussion that brought civil societies, experts, practitioners, academia, and legislators together to discuss on how to develop a legislative framework for the microfinance sector.

The objective of the conference was to equip participants with the needed skills in managing microfinance business, to provide a common platform for the participants to share ideas and resources, to provide a forum for investors and business executives, to give the participants the opportunity to learn about others experience in the microfinance sector, to empower some of the businesses with the skills they need to come back into business more stronger, to network among the players in the financial sector and to help participants to identify and take advantage of the microfinance business as an emerging market in Africa

Representatives from Bank of Ghana, Central Bank of Liberia and Central Bank of Nigeria updated the participants on regulatory issues.

Courtesy www.senyoglobal.com

Read previous issues of 'Lahanti' and monthly E-news letter www.esafmicrofin.com/downloads/newsletters.html

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HUMBLE HEROES

Dreaming from a food cart



Shyby Subash runs a food cart adjacent to her home. Her husband Subash, who is a mason, also supports her during his free time. They live in a slum at West Fort, Thrissur. Before joining ESAF the main income of her family was Rs 400 per day earned by her husband. The inconsistent nature of his work made it difficult for the family to meet the growing expenses. During this time, she joined ESAF and the first loan availed, of Rs 10,000, was used to purchase food cart and kitchen utensils. The business targeted at migrant laborers was a hit from day one as restaurant quality food was provided at cheaper rates. Today she makes a profit of Rs 750/day. The additional income has brought remarkable changes in the life of Shyby who only finished her 10th standard. Through ESAF She also joined the pension scheme promoted by the Central Government.

Her children Sanya (8) and Sanvil (6) now study in English medium schools. She now take them to specialty clinics when they fall ill and buy them decent clothes and food. Earlier she used to take children to the Government hospital. Despite hectic schedules, she makes sure that the favorite delicacies of her husband and children are kept aside daily. Currently her family lives in a house with a single room and a kitchen and shares toilet with four other families in the slum. There is also one water tap provided by the Municipal Corporation. Altogether, there are 10 households in the slum. Shyby now thinks of building a new house for her family outside the slum. She is thankful to ESAF and the staff for letting her think big.

Read more success stories: www.esafmicrofin.com/home/successstories.html



...means development in Santhali, the language of an underdeveloped tribal group in Eastern India.



ESAF MICROFINANCE
Financing Livelihoods...

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CALLING THE SHOTS

Microfinance as a solution to social evils



Social evils are simply disruptive and painful to the society as a whole, especially for a developing nation like India. Whether it is poverty, domestic violence, drug abuse, child labor, child marriage, dowry or gender inequality, social evils have only made the progress of our nation downhill. Drinking water scarcity is another social evil that we often come across in rural areas. Modern day, microfinance has emerged as a potential problem solving mechanism that can wipe off social evils. Take the case of poverty, the pangs of poverty are unbearable. According to statistics, more than 60 percent population in India and 35 percent in the world are below the poverty line. I believe that microfinance has a major role to play in bringing down the statistics, in favor of a poverty-free world.

Democracy and social justice can be achieved only by equal participation of women. When women become financially empowered, the issue of gender inequality

gets neutralized. Financial empowerment of women also means curbing down of domestic violence. Among the women entrepreneurs patronized by ESAF, about 38 percentage of them are supported by their spouses in running their ventures. Continuous engagement in livelihood activities keeps them focused and hence saves them from other evils like drug abuse and gambling. By developing leadership skills, women get opportunities to interact with people

Microfinance has brought considerable improvement in decision making skills among women, has given them confidence in managing the financial crisis of the family and assertiveness in protesting against all kinds of social evils.

belonging to different strata of the society with more knowledge and worldly experience. Such regular interactions help them to form their own opinions on more common evil phenomena like child labour, child marriage and dowry.

In short, microfinance has brought considerable

improvement in decision making skills among women, has given them confidence in managing the financial crisis of the family, taking decisions in household matters and assertiveness in protesting against all kinds of social evils. Studies have also proved that women have more integrity in refunding loans and use the loan in the best manner after proper calculation of risks. This insight justifies the concept of microfinance as a whole.

When the income of poor people will increase then the per capita income of the nation will also increase. When per capita real income increases then the development reflects positive vibrancy across the economy. This is how a nation can build its future. In this perspective, it is clear that the future of the country is closely intertwined with the success of microfinance as a financial model of development.

K. Paul Thomas
Founder, Chairman and Managing Director

Read previous issues of 'Calling the shots' www.esafmicrofin.com/newsaevents/message.html

FROM THE WORLD OF ESAF

ESAF receives Truelift Aspirant Milestone Certificate



K. Paul Thomas accepting the Truelift certificate



ESAF Microfinance was awarded the Truelift Aspirant Milestone Certificate for completing self-assessment of Truelift Indicators, based on Pro-Poor Principles. Truelift is a global initiative to push for accountability in pro-poor development. It is a trust mark that signifies commitment in bringing changes in the lives of people affected by poverty. The certificate was received by Sandhya Suresh, Sr. Manager, Social Performance Management. K. Paul Thomas, Chairman & Managing Director, ESAF Microfinance later said that pro-poor principles have always driven the management to develop products and services that would enable poor clients to come out of poverty.

View 'Awards and Accolades' ESAF received www.esafmicrofin.com/home/milestones-.html

ESAF among the finalists to receive European Microfinance Award



ESAF Microfinance was one among the three finalists shortlisted for European Microfinance Award 2014. The finalists were selected based on their efforts in contributing directly to improving the lives of the clients. ESAF's clean energy for the poor initiative proved a decisive factor in the achievement. So far ESAF has supported more than 70,000 clients with



K. Paul Thomas along with Mereena Paul receiving the award

clean energy solutions in the form of solar energy products, smart cooking stoves and water filters. Among the clients almost 68% live on below 2 USD per day and 90% live in rural areas. Also, ESAF is now in the process of developing an environmental policy, which is currently under review. The European Microfinance Award was launched in 2005 by the Luxembourg Ministry of Foreign and European Affairs – Directorate for Development Co-operation and Humanitarian Affairs.

Watch ESAF Microfinance video goo.gl/XyyGly

ESAF Microfinance receives Disability Inclusion Award

ESAF Microfinance along with two other MFIs won the Disability Inclusion Award instituted by National Center for Promotion of Employment for Disabled People (NCPEDP). In a function held at New Delhi on 14th August 2014, Roy K. Alex, General Manager, ESAF Microfinance received the trophy and certificate from eminent journalist Shekhar Gupta, Vice Chairman & Editor-In-Chief, India Today. The award was later handed over to K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance in a function held at ESAF Co-operative Admin Office on 20th August, 2014.



Roy K. Alex receiving the certificate from Shekhar Gupta in New Delhi

ESAF launches Ambedkar Hastshilp Vikas Yojna project at Alathur

ESAF was selected to implement Ambedkar Hastshilp Vikas Yojna (AHVY) project in wooden crafts at

Download ESAF Microfinance Annual Report 2013-14

www.esafmicrofin.com/downloads/annualreports.html

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Alathur, Palakkad. The project is promoted by the Development Commissioner Handicrafts (DCH) under the Ministry of Textiles, Govt. of India. Indra Chandran, President, Alathur Block Panchayath officially inaugurated the project in a function held at



Indra Chandran inaugurating the project at Alathur

Tarur AUP School, Alathur on September 09, 2014. K.Paul Thomas, Chairman & Managing Director, ESAF Microfinance welcomed the gathering and explained about the project. S. Anitha, President, Tarur Grama Panchayath presided over the function. M.A. Bakkar, Vice President Tarur Grama Panchayath, K.N.Venkiteswaran, Asst. District Industries Officer Alathur, Sreenatha D.V., Asst. Director, DCH, C.Vasu, President, Alathur Marketing Society and K.V.Christudas, General Manager, Livelihood Support and Environment, ESAF Microfinance spoke on the occasion.

Thrissur Mayor endorses the findings of ESAF Livable Cities



K. Paul Thomas handing over the Charter to Mayor Rajan J. Pallan

On July 21, 2014, ESAF Livable Cities Team submitted the Charter of Pedestrian Rights to Rajan J. Pallan, Hon'ble Mayor Thrissur and Adv. Therambil Ramakrishnan, MLA at the Thrissur Corporation Office. The Charter was prepared based on the findings of Walkability Study conducted during the year 2012-13. The Hon'ble Mayor endorsed the Charter of Pedestrian Rights by signing it. K. Paul Thomas, Founder and Managing Director, ESAF Microfinance spoke on the occasion and said that the Organization would remain relevant to the social issues facing the society at large.

Visit ESAF Livable Cities on Wordpress
www.livablecitiesindia.wordpress.com

ESAF observes International Car Free Day

In association with Livable Cities Network, NATPAC and HealthBridge Foundation, ESAF celebrated International Car Free Day on September 21, 2014 at Ramanilayam Road, Thrissur. The theme of the event was 'Prasanna Veedhi Prasanna Nagaram'. Jacob Job IPS, Thrissur City Police Commissioner, inaugurated the event, which was presided over by K. Paul Thomas, Chairman & Managing Director, ESAF Microfinance. Satheesan IPS, NATPAC, M. Usman



A scene from the World Carfree day at Thrissur

Sahib, President Livable Cities Network, Thrissur, Jacob Samuel, Director- Livable Cities Project, Phaeba Abraham, Program Officer, Livable Cities Project-India representing HealthBridge, Canada and Prof. Madhavan Kutty, President, Thiruvambadi Devaswom spoke on the occasion.

In Nagpur, a Cyclathon was organized on 22nd September 2014. The rally was flagged off by Anil Laddad, Dr. Ajay Deshpande both from Indian Medical Association, Zafar Ahmed Khan Principal, Qidwai School, Roy K. Alex, General Manager-Programmes and Amit Das Program Officer, ESAF Nirmal Jeevan Dhara spoke on the occasion.

ESAF sponsors newspapers to police stations

Eight police stations in Palakkad district will be receiving Kerala Kaumudi newspaper sponsored by ESAF Microfinance. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance inaugurated



K. Paul Thomas handing over the News paper to S.P. Sudheeran

the program by handing over a copy of the newspaper to S. P. Sudheeran, Circle Inspector of Police, Vadakkencherry. The function was held at the Office of the Circle Inspector on September 03, 2014. Biju E. J., Regional Manager, ESAF Microfinance also participated in the function.

ESAF Nidhi branch opens at Vadakkencherry

K. Kumaran, President of Vadakkencherry Grama Panchayat inaugurated the second branch of ESAF NIDHI Kerala Limited on September 03, 2014 at Vadakkencherry. K. Paul Thomas, Chairman & Managing Director, ESAF Microfinance presided over the function. Palayam Pradeep, Ward Member of



K. Kumaran inaugurating ESAF Nidhi Branch at Vadakkencherry

Vadakkencherry and K. M. Jaleel, President of Vyapari Vyavasayi Ekopana Samithi, Vadakkencherry spoke on the occasion.

ESAF celebrates Onam

Sree Bhadram Complex, Mannuthy was buzzing with activity on September 05, 2014 as ESAF Corporate Office celebrated Onam with great enthusiasm and vigor. M. P. Vincent, MLA, Ollur constituency inaugurated the programme and C. N. Jayadevan, MP, Thrissur delivered the Onam message. K. Paul Thomas, Chairman & Managing Director, ESAF



C.N. Jayadevan delivering Onam message

Microfinance presided over the function. George Thomas, Executive Director, ESAF Microfinance also spoke on the occasion. Apart from a sumptuous Onasadya cultural programs like Thiruvathirakali, Onam Fusion and Onappattu added color to the event.

The whole staff team was divided into five houses and various competitions were conducted between them. V.M. Radhakrishnan, President, Press Club, Thrissur, Dr. S. Estelitta, Professor- Communication Center, Kerala Agricultural University, Mannuthy and Dr.U.Sreelatha Associate Professor, Agricultural Research Station, Kerala Agricultural University, Mannuthy were the Chief Judges for the Floral Carpet Contest. Onasundaran & Onasundari for the day were also selected.

An Onam fair, 'Niravu 2014' was organized by ESAF Livelihood Support Services in partnership with ESAF Cooperative Credit Society and ESAF Retail at the premises of Hepzibah Complex, Mannuthy from Sept 02 - Sept 06, 2014. Dr. D. Samanta, Chief Manager, UCO Bank, Kochi inaugurated the fair.



M.P. Vincent MLA visiting ESAF Onam Fair. Also seen is K. Paul Thomas

ESAF Co-operative Credit Society distributes food kits

As part of Onam celebrations, ESAF Cooperative Credit Society conducted a free food kit distribution programme in association with the Munnar branch of ESAF Microfinance, on August 27, 2014 at Bison Valley. The food kits containing rice, sugar, oil, bengal gram etc. were distributed to more than 140 sangam members who were affected by flood. M. M. Raju, Member, Bison Valley Panchayath inaugurated the programme which was presided over by Pawsan Varghese, AGM & Head- Operations, ESAF Cooperative Credit Society. Jijo Kuriappan, Head

Crisis Management Cell, Viji Abraham, Area Manager, Adimaly, Bernet Anitha V., Branch Manager and Rajani, Cluster President spoke on the occasion.

On Sep 01, 2014 ESAF Cooperative Credit Society conducted a free Onam food kit distribution



M.M. Raju distributing the food kit. Also seen are Jijo Kuriappan and Pawsan Varghese

programme in association with the Alapuzha branch of ESAF Microfinance at Mathanikethan Hall, Kaithavana, Alappuzha. Food kits were distributed to more than 1100 sangam members. Adv. Shanamol Usman inaugurated the programme. George Thomas, Executive Director, ESAF Microfinance presided over the function. On the same day, ESAF Cooperative Credit Society conducted an Onam food kit distribution programme in association with the Ambalappuzha branch of ESAF Microfinance, at EMS Community Hall, Paravur, Ambalappuzha. G. Sudhakaran, MLA, Ambalappuzha inaugurated the program. Here also, food kits were distributed to more than 1000 sangam members. George Thomas presided over the function. Pawsan Varghese, Sreekumari, Board member, ESAF Cooperative Credit Society spoke on both the occasions.

ESAF sponsors 'M. P. Vincent MLA Award -2014'

ESAF Microfinance was the main sponsor of 'M.P. Vincent MLA Award-2014', which was instituted to honor schools with cent percent pass and students who won A+ in all subjects from Ollur constituency. The award function was held at St. Raphael's Higher



V.D. Satheeshan MLA inaugurating the programme. Flanked by M.P. Vincent MLA and K. Paul Thomas

Secondary School, Ollur on July 25, 2014. V.D. Satheeshan, MLA, Paravur inaugurated the programme and M.P. Vincent, MLA, Ollur presided over the function. K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance spoke on the occasion.

ESAF Co-operative opens branches

K. Paul Thomas, Chief Promoter & Chairman, ESAF Co-operative inaugurated the first micro branch of the Credit Society at Punalur on July 09, 2014. Bosco Joseph, General Manager-Admin, presided over the function. Nijo C.J., Area Manager, Kottarakkara and Vidhya Murali, Branch Manager, Punalur spoke on the occasion. The second micro branch of the Co-

EDITORIAL Child labour, prostitution and microfinance...

Microfinance has been in existence in different ways since time immemorial. It has been associated with goodness and cruelty. Shakespeare had narrated lucidly in 'Merchant of Venice' about the practitioners of micro-finance. "There exist Kabuliwalas, small pawn merchants and so many persons under various styles to help the poor in need and mostly to get immense benefit" he mentioned. But modern day microfinance propounded by Professor Muhammad Yunus was a game changer. It has proved as a total solution provider for the growth in rural areas, where growth focuses on holistic empowerment of the poor than financial empowerment.

It is high time that microfinance practitioners should focus more on indirect impacts.

Holistic empowerment can create direct and indirect impacts. Apart from direct impacts on evils like poverty and domestic violence, indirect impacts can reflect in curbing down social evils like caste discrimination, prostitution, female infanticides, drug abuse, sati, et al. Financial or social empowerment can blur the lines of caste discrimination as proved by the great leaders like B.R. Ambedkar. Now caste hierarchy has broken down

to a great extent, but still measures are required to be taken to completely eliminate the issue.

It is high time that microfinance practitioners should focus more on indirect impacts. Female infanticide is the most gruesome social evil that could be countered through proper education. There is no way the world could exist with just one side of the nature. Prostitution especially child prostitution is another major concern that should be addressed through microfinance. In India, it is estimated that more than 1.2 million children are working in this profession.

Increasing the operational efficiency of microfinance entities may help them in increasing revenues and in turn focusing more on ancillary services like educating the poor. Including microfinance as part of the curriculum in MBAs can also help in carving out more professionals to take the idea forward with innovation in service as the basic objective.

Sony V. Mathew

Mail your response to:
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K. Paul Thomas inaugurating the first micro branch of ESAF Co-operative at Punalur.

operative was opened at Palakkad and third and fourth at Alathur and Vadakkenchery respectively on July 19, 2014. George K. John, Director, ESAF Co-operative presided over the function in all the meetings held on the day. Pawsan Varghese, Head-Operations, ESAF Co-operative, Balan Raman, Head-Vigilance & Internal Audit, ESAF Co-operative, Biju E.J., Regional Manager and Soosan K.P., Area Manager, ESAF Microfinance, Palakkad spoke on the occasion.

ESAF Co-operative was started with the objective of facilitating "Financial Inclusion Through Co-operation" to its members spread across eight states in India. The Organization has plans to open branches across the country in the immediate future.

ESAF MICROFINANCE
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BEST BRANCHES IN THE REGION
JULY-SEPTEMBER 2014

REGION NAME	BRANCH NAME
CHATHISGARH	RAIPUR
CHENNAI	MINJUR
COIMBATORE	THUDIYALUR
ERNAKULAM	KODUNGALLUR
JHARKHAND	DUMKA
KOTTAYAM	CHINNAMANNUR
KOZHIKODE	EDAkkARA
MADHYAPRADESH	BETUL
MAHARASTRA	SADAR
THRISSUR	CHAVAKKAD
TRIVANDRUM	THOOTHUR



K. Paul Thomas along with the winners, posing for a photograph

Mementos and cash awards were distributed by K. Paul Thomas, Chairman and Managing Director, ESAF Microfinance during the Representative General Body meeting of ESWT held at ESAF Corporate Office, Mannuthy on July 23, 2014. Jacob Samuel, Advisor - Social Transformation, ESAF Microfinance spoke on the occasion.

The following students won the ESAF Academic Excellence Awards during the academic year 2013-14.