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How Hardika Shah of Kinara is creating social capital

Rahul Jacob | 8 min read | 27 Apr 2024, 08:57 AM IST



Hardika Shah, CEO and Founder, Kinara Capital (Illustration by Priya Kuriyan)

SUMMARY

A champion of compassionate capitalism, the founder and CEO of Kinara Capital, an NBFC, talks about why small businesses need more attention

An understanding of entrepreneurs overcoming the odds in gaining access to capital is part of Hardika Shah's inheritance. As a child growing up in 1980s Mumbai, the CEO and founder of non-banking financial company (NBFC) Kinara Capital, witnessed her mother running a provision store on the ground floor of a building where her parents had an apartment. In pre-liberalisation India, customers were often short of cash at the end of the month, which meant her mother would extend them credit while herself being perpetually short of cash to expand. "Every one (of her customers) was operating salary cheque-to-salary cheque, so she always had this working capital gap," recalls Shah. But every few weeks, "this random guy

would come with a paper bag with cash. There was this unofficial credit community. That was how you got working capital through the Gujarati community."

It is perhaps not a coincidence that Shah would eventually start Kinara Capital in 2011, focusing on unsecured lending to small business owners similarly starved of working capital, after a successful stint in consulting.