

International Women's Day 2024: How Kinara Capital's Hardika Shah is bridging gender gap, empowering women in MSMEs

Kinara Capital has disbursed more than ₹6,200 crore in over one lakh collateral-free business loans. The NBFC has shown strong growth over the past few years with its AUM growing 150% to ₹3,000 crore between FY22 and Q3 FY24. Women-owned MSMEs constitute nearly 12% of its customer portfolio.

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Hardika Shah started Kinara Capital with a two-member team in 2011. Over the years, the Bengaluru-based firm has expanded to over 2,000 employees and a presence in over 100 cities.

With nearly 20% of women ownership in India's Micro, Small and Medium Enterprises (MSME) sector, there is a high requirement for women-oriented loan products to address the skewed representation of gender parity in the industry, believes Kinara Capital CEO Hardika Shah, one of the leading ladies striving for gender inclusivity in the fintech sector.

The United Nations says that nearly 90% of a woman's income is spent on the welfare of her family, which also resonates with the theme of International Women's Day 2024: "[Invest in Women: Accelerate Progress.](#)"

With her non-banking financial company (NBFC), Shah is trying to kill two birds with one stone: firstly setting an example in the fintech world by leading a women-majority management team, and secondly, contributing to the growth of women-owned MSMEs.

As we celebrate [International Women's Day 2024](#), here is the essence of her journey from a management consultant to starting [Kinara Capital NBFC](#) in India while understanding the importance of NBFCs for women in the MSME sector.

How the NBFC is boosting women's participation in MSMEs?

The NBFC provides unsecured business loans to micro-enterprises from across sectors. "Women-owned MSMEs form nearly 12% of our customer portfolio. Under our HerVikas programme for women entrepreneurs, we have disbursed over ₹700 crore in discounted collateral-free business loans to women-owned MSMEs leading to job creation and income generation," says [Hardika Shah](#).

Highlighting the low percentage of women owning property in India, Hardika Shah advocated that unsecured loans can be a tool to ensure the financial inclusion of women.

"When women entrepreneurs are supported with unsecured lending, they can improve their operations and strengthen the finances of their businesses, achieving their full potential," noted Shah, elucidating Kinara Capital's women-oriented lending programme, HerVikas.

The initiative has led to a cumulative post-loan net income generation of over ₹187 crore by the women-owned MSMEs. The growth has also translated into 31,000 jobs being supported in local economies. Women who are the beneficiaries of Kinara Capital's 'HerVikas' programme are viewed as role models in their communities, said Hardika Shah.

Challenging the male-dominated fintech industry

Apart from HerVikas programme, the NBFC also focuses on tapping the large credit gap in the MSME ecosystem and expansion plans for a wider outreach, a target which is set by a large number of NBFCs in the market. Ten years ago, these targets were nowhere near the sight for Shah, who had to overcome [gender bias](#) and scepticism at the workplace.

Sharing a few of her encounters with business partners during the initial days of Kinara Capital, Shah said, "There have been occasions when potential partners have looked right past me and only addressed Thiru (Thirunavukkarasu R), our chief operating officer. I was met with scepticism, with many suggesting that I build an NGO or spend time with a welfare initiative instead of taking on the challenge of building a last-mile lending company."

Shah's mantra for success

The transition from working at a high-paying Silicon Valley firm to being an NBFC founder in India was fuelled by Shah's basic principle: 'Don't prepare for plan B, just focus on Plan A'.

"My mantra was 'Don't Plan for Plan B, Focus on Plan A.' Until every possibility is explored, don't give up when you have decided to enter the entrepreneurial fray. Spending too much time thinking of a safety net doesn't help you build your vision and focus on what you need to do," noted Shah.

Gender inclusivity at Kinara

Throughout the journey of Kinara Capital, Shah never let her focus shift from the approach which defies the status quo. Speaking about gender inclusivity at her Bengaluru-based office, Shah said, "We have achieved 50/50 gender parity along with inclusion from the LGBTQ+ community. Every year, increasing women employees in the workplace is an important step that we take towards diversity and inclusion."

The company's management team is led by women at top positions like CEO, CFO and CRO. "Long before it was a requirement, we always had women representation on our board of directors (BoD). Today, one-third of our BoD are women, including a woman Independent Director," noted Shah.

A significant reduction in the female attrition rate from 17% in FY22 to FY23 is one of the milestones achieved by the company towards its commitment to diversity and inclusion in the workplace.