



## **Microfinance: Ushering an age of empowerment for rural**

**Varanasi, 13<sup>th</sup> April 2023:** The advent of microfinance has proven to be an essential tool in promoting financial inclusion, particularly among those who have been historically marginalized such as women and low-income individuals. Its influence has been monumental in stimulating economic growth and enhancing employment opportunities, particularly in remote, rural areas, by providing access to credit and an array of other financial services.

The provision of credit, in particular, has played an instrumental role in lifting people out of poverty and elevating their standard of living to new heights. By unlocking access to essential resources that were once out of reach, microfinance has enabled individuals and communities to harness their potential and unleash their creativity, driving progress and prosperity.

Among the large number of lives that microfinance has impacted, women represent a significant number. In India, microfinance institutions are emerging as an essential avenue for empowering women.

In a bid to promote gender equality and reduce barriers to women's economic participation, microfinance aims to provide equal access to microfinance services such as credit, savings, and micro-insurance to low-income individuals. By facilitating the initiation or expansion of economic ventures, microfinance offers Indian women an opportunity for financial independence.

A compelling illustration of the transformative power of microfinance for women is evident in the story of **Sabhya Vishwakarma Devi** and her struggles towards attaining financial stability. 32-year-old Sabhya Devi resides with her family in the Gadsara district of Chhapra, Varanasi, Uttar Pradesh. Having always managed household chores while her husband worked as a woodworker, she dreamed of assisting her husband and starting her own furniture-making business. To pursue her aspirations, Sabhya required financial assistance. However, the absence of traditional banking services in their village impeded their ability to raise the necessary funds.

An inspiring example of the transformative power of microfinance for women is the story of Sabhya Vishwakarma Devi and her journey towards attaining financial stability. Sabhya, a 32-year-old residing with her family in the Gadsara district of Chhapra, Varanasi, Uttar Pradesh, dreamed of starting her own furniture-making business to assist her husband. However, the absence of traditional banking services in their village made it difficult for them to raise the necessary funds.

Fortunately, Sabhya learned about SATYA MicroCapital from her neighbour and obtained a loan of 40,000 rupees from them to buy the necessary equipment and raw materials for her venture. With hard work and dedication, Sabhya and her husband received numerous orders, rapidly expanding their business operations, and now thriving in their enterprise.

**Expressing her gratitude to SATYA, Sabhya** said, *"I am immensely grateful to SATYA MicroCapital for assisting me in realizing my aspiration to start my very own business. Their sound financial advice arrived like a messiah to us in our times of need. Being able to help my husband, raise the living standards of my family, and provide quality education for my children still feels like a dream. It gives me a sense of fulfilment to assert that I am currently living my long-cherished dream."*



As a result of her entrepreneurial endeavours and the opportunities facilitated by microfinance, Sabhya has gained recognition within her community. She has established herself and single-handedly supported her family, earning a distinguished reputation.

#### **Background Note:**

**Satya MicroCapital Limited:** SATYA MicroCapital Limited is a Delhi based, RBI-registered “NBFC-MFI” which launched its microfinance operations in January 2017. In a short span of Six years, SATYA has registered an impressive growth and has emerged as one of the fastest growing Highly Technology driven Micro Finance Institutions in the country. SATYA has focused its entire microfinance operations to significantly contribute to women empowerment by generating additional income earning opportunities thus making more visible economic contributions for better living and future building of their children leading to growth in women’s self-confidence, self-esteem and their status in their family, wider community & society. SATYA is an institution built with a vision of change, transformation and is a differentiator in the financial inclusion space. Through its diverse range of loan products and technologically sound operations, the company aims to add a social touch to lending by integrating modern technology into the Micro Finance industry.

**Microfinance Industry:** As on September 30, 2022, the microfinance industry served 6.2 crore unique borrowers, through 12.0 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of INR 3,00,974 Cr. GLP as on September 30, 2022, showed an increase of 23.5 per cent YoY over INR 2,43,737 Cr as on September 30, 2021. The sector comprises RBI-regulated microcredit providers including NBFC-MFIs, Banks, Small Finance Banks, Business Correspondents, and others.

**MFIN (Microfinance Institutions Network):** MFIN is a premier industry association comprising 56 NBFC-MFIs and 44 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. By virtue of bringing all microfinance entities under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusion goals.