

Samasta Microfinance: Empowering Women Entrepreneurs

Harohalli, Karnataka, Feb 2020: Jayamma belongs to Harohalli, a small village in Bengaluru, Karnataka. Her family comprises of her husband Venkatesh and two sons. Her story of determination and struggle to stand up economically for her family and becoming a successful entrepreneur is quite inspiring. Her story portrays a life transforming experience of becoming a dignified individual in her family and her community.

Until 6 years ago, sericulture was the only sole source of income for Jayamma and her husband Venkatesh. The income generated from it was barely enough to even suffice the most basic requirements of her family and household expenses. They had to depend on local money lenders who charged high interest rates to make their ends meet. Undeterred from all disappointment, she was determined to improve her family’s situation by becoming financially independent.

With the help of one of the field officer, Jayamma joined Samasta Microfinance, a non-banking financial institution (NBFC-MFI) which provides financial assistance and services to individuals from low-income group. She availed her first loan to buy dairy cow and, this is how she began her journey as an entrepreneur.

Further she took an additional loan from Samasta Microfinance. With her consistent efforts and systematic investment of her loan amount, she was able to scale up her business efficiently. Eventually her monetary condition gradually improved by selling milk. Now, she owns 6 cows at her farm and the daily milk yield is around 80 Litres. Overtime, her business started gaining popularity and her monthly income also increased multi-folds from Rs. 60,000 to Rs. 80,000 approximately.

Today, Jayamma and Venkatesh work together to run their dairy farm and earn sufficient income to fulfil the needs of their family. With the help of their increased income they have been able to invest in renovating their house and now a new house is under construction. The consistent income from Dairy farming has helped the couple to expand their Sericulture unit as well.

The support from Jayamma family and Samasta Microfinance gave immense boost to her confidence and she became even more determined to become financially secured. In Jayamma’s own words, “We would not have been able to achieve this success without Samasta, because it’s very hard to get a loan from banks and local money lenders will put in lifetime debt. Samasta has helped us live a life with dignity.”

Samasta Microfinance Limited, an IIFL Group company, is a microfinance institution committed to working towards women’s economic empowerment. Since its inception in March 2008, Samasta has been providing innovative and affordable financial products to women from unbanked sections in society in

both rural and semi urban areas. Today as the organisation caters to 16 states across India, Samasta with its wide array of responsible financial products and services acts as a catalyst for sustainable and inclusive economic growth.

They are leveraging innovative technology solutions to enable customers to enjoy the benefits of digitisation and we aim to create economic opportunities for all and to improve the standard of living in the communities we serve. As part of our Corporate Social Responsibility initiatives, Samasta has established financial literacy centers for customers to equip them to make smart financial decisions for a secure future for themselves and their families.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. For an industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.

For further information please connect with:

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