

Satya Microcapital: Offering Support during the Covid 19 Pandemic

Guwahati, Assam: Covid 19 pandemic impacted the lives of countless families across the globe. In India, many businesses, particularly the small & micro enterprises, were severely affected during the nationwide lockdown. The story of Bulbuli Malakar, a 45-year-old woman living in a small village of Fatashil Ambari, Guwahati, Assam, is no different. Living with her family of three, She and her family faced a lot of troubles during the national lockdown. However, with hard work and apt support from Satya Microcapital, She was able to pull the family out of troubled waters. Her story is an inspiration to many.

Bulbuli's husband worked as a Tempo driver; her son works in the private sector whereas she runs a small Grocery Shop in the village for living. Before becoming a member of Satya Microcapital, she used to face a lot of trouble in running her grocery shop due to a lack of capital.

After learning about the financial offerings of Satya Microcapital, she immediately became a member and took her first loan of Rs. 35,000. She systematically invested the loan amount in expanding her business. Eventually, her income grew from Rs. 10,000 to Rs. 15,000 per month.

Things were going in the right direction when suddenly nationwide lockdown happened. Abiding by the guidelines of the lockdown, her shop remained closed for a longer duration because of which there was no consistent income which resulted in her inability to pay the scheduled EMIs of her loan.

Providing necessary support during the crisis, Satya Microcapital's loan officer reached out to her and apprised her about the Moratorium facility. They briefed her about the pros and cons of the moratorium. After understanding it thoroughly, she decided to opt for the moratorium. She informed Satya officials about her will and plan. She expressed her wish of continuing her long-term association with SATYA post moratorium period.

Expressing her gratitude for receiving the financial awareness from Satya Microcapital, Bulbuli says, "I am grateful to Satya MicroCapital Limited for providing moratorium related awareness, financial guidance, and incomparable support during the unprecedented crisis of COVID-19 wherein, we were unaware. The staff of the company was very humble towards us, and their conduct was sober."

Now with the markets getting to open up, her business is getting back on track. Thanking further to Satya Microcapital for offering the support during the whole lockdown period she said "Realizing the fact that I was not pressurized to repay the scheduled loan instalments at any point, I feel fortunate to be associated with Satya. Despite me, opting for a moratorium, the officials from Satya were only concerned about our physical & mental wellbeing. Also, we received phone calls from Officials to know about our wellbeing during COVID-19. I feel grateful for the unparalleled support offered by them during the pandemic."

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Satya MicroCapital, SATYA has adopted a unique Limited Liability Group (LLG) Model for extending loans and ensuring repayment. The company's LLG model distributes the liability among each group member which exists only up to 10% of Loan Tenure in bi-weekly collections. Through the model, the company aims to add a social touch to lending by integrating modern technology into the Micro Finance industry.

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.

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