

Satya Microcapital: Offering Support to Women Entrepreneurs in Uttar Pradesh

Baliya, Uttar Pradesh: Microfinance has been playing an essential role in uplifting the lives of many aspiring women by helping them become financially independent. The growth story of Jarina Begum, 32 years old women living in a small district of Baliya, Uttar Pradesh is a story of hardship & determination.

Living in a family of nine, Jarina got married at an early age and could not complete her education. She always aspired to become independent but lacked getting the right kind of opportunities to achieve her dreams. However, the situation changed after her marriage.

Her husband's family were in the spices business for more than 20 years. To support her family, she started helping her husband in the business. After gaining some experience, she suggested expanding the business to provide an excellent education to their children. The family appreciated the idea and decided to take a loan from a bank. Unfortunately, having limited exposure to the banking system and no formal credit history, they could not get financial assistance from any banks.

The family was starting to lose hope when, unexpectedly, life took a positive turn. One day, Jarina met with a field officer of Satya Microcapital in an open general meeting, who thoroughly explained to her about Joint Liability Group loan and how it could help her.

After a few rounds of discussion with her family, she decided to join a joint lending group and applied for her first loan of Rs. 35,000. She invested the loan amount in purchasing additional raw material. As a result, their business production increased considerably, and they started selling readymade spices to the local and distant markets.

Gradually, the business grew, and so did their income. With rising demand for the products, Jarina and her husband decided to further expand their business and applied for a second loan of Rs. 45,000 from Satya Microcapital. They utilised the loan amount to improve the quality of their products by providing better packing and marketing facilities. With this value addition, their monthly sales improved significantly from Rs. 3,000 per month to Rs. 15,000 per month. After successfully repaying her previous loans, Jarina applied for another of Rs. 60,000 to further expand their business.

With continued support from Satya Microcapital, the couple developed a mitigation strategy to retain their customers during the lockdown. They developed a rewarding coupon system and offered TV, utensils, water filter, etc., as a reward for the lucky customers. As a result, their business did not get affected by lockdown. At present, with a business turnover of Rs. 5 lakh per month, the couple is planning to expand further and provide employment opportunities to others.

Jarina Begum expresses her heartfelt gratitude to Satya Microcapital for extending their support to numerous women entrepreneurs like her by providing financial support and providing the required technical skills on various income generation activities.

Satya Microcapital Ltd. began its microfinance operations from January 2017. The company utilised demonetisation as an opportunity to rework on the business strategy through cashless transactions. SATYA is an institution built with a vision of change, transformation and is a differentiator in financial inclusion space and its approach is well recognised by industry experts and professionals across different sectors. It is committed to being a socially responsible organisation with a focus on Health, Education, Financial Literacy, Nasha-Mukt Samaaj, Gender Equality, and Swachh Bharat. The Company is spreading social awareness messages in its area of operations.

Currently, SATYA has established 179 branches in 152 districts in 21 states (Assam, Bihar, Chandigarh, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Odisha, Pondicherry, Punjab, Rajasthan, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand, and West Bengal).

The Indian microfinance sector has come a long way. As per industry data, the overall Microfinance loan portfolio stands at INR 2,38,423 crores as on December 31, 5.83 crore unique borrowers (of which 99% plus are women and for most of whom this would be the first credit facility in their life) with 10.50 crore loan accounts. The microfinance industry operates across 27 states and 5 Union Territories with the network of 14,437 branches with 1,14,733 employees. 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:

Bhumika Panda | bhumikapanda@mfinindia.org | +919717738499



Sonia Sarin sonia.sarin@ketchumsampark.com | +91 9910292599