

Annapurna Microfinance: Journey towards Sustainable Livelihood

Odisha, XX February 2020: Manjulata Mahapatra, from a small village of Karadagadia in Khordha district of Orissa, has an exceptional story behind her struggle and determination to elevate her family economically and becoming a successful entrepreneur. Her story portrays a life-changing experience of becoming a dignified individual in her family as well as in the village.

Manjula was working in the cottage industry like most of the natives in her village, however, the income earned was the bare minimum to suffice the families' basic requirements and manage other household expenses.

In the year 2015, she was introduced to Annapurna Microfinance an NBFC-MFI, through one of the existing Self Help Group (SHG) working towards livelihood generation and entrepreneurship through the provision of small credit. With the assistance of a corporate officer of Annapurna Microfinance, Manjulata along with eleven other women formed a self-help group.

She availed her first loan of Rs.20,000 to buy raw material to increase the production and commenced her entrepreneurial journey. Manjulata and her husband started going to several urban fairs to sell the products. With the help of other members of her family and investment of her loan amount, she scaled up her business over a period of time. Gradually, her business started gaining popularity that improved their monthly income by many-folds.

In 2018, the group received its third loan cycle of Rs. 40,000 per member, alongside they received financial literacy training from Annapurna Microfinance, which further enhanced their knowledge and polished their business acumen.

The literacy training program helped the group develop a habit of saving regularly. Manjulata and her husband are now leading a respectable life and has been able to provide higher education for her children. Later, she managed to utilize the savings for her daughters' marriage. With better monetary status, they renovated their house and further are also planning to build a toilet in her house with Annapurna's Water and Sanitation Loan.

Annapurna Microfinance transformed their entire course of life by extending the right support at the right time. It has not only impacted their financial condition but raised their moral strength and made them self-confident. Today, Manjulata is recognised as a trainer for the trade by ***Hasta ebong Kutirshilpa Nirdeshalaya***, Odisha. She attributes her success to Annapurna Microfinance which provided her with an improved standard of living and gets footfall to buy the masks and wooden idols from her craft shop. Manjulata owes this new-found recognition and respects Annapurna for making her self-sufficient and shine against the odds.

Annapurna Microfinance Pvt. Ltd a.k.a. AMPL is a microfinance initiative by people's Forum aged over two decades as a development organization. It is although a Non-Banking Financial Company, which is regulated by Reserve Bank of India it does suffice well as a financial institution.

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 program 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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