

## Satin: Transforming lives through microfinance

*Empowering women in Chinthamai, Bengaluru*

**Chinthamai, Bengaluru, November XX, 2019:** Microfinance has been playing a critical role in helping women to become self-sustainable. The growth story of 35 year old Manjula, a resident of Chinthamai in Bangalore city signifies the importance of micro-credit in her life along with many other economically active women like her, who otherwise have restricted access to mainstream banking services. Manjula’s family comprises of her husband Jagdish and two school going children. She had learnt stitching and wanted to pursue her talent but due to her marriage at a minor age of 17, she had to give up her dreams of setting up a tailoring business. Manjula’s husband, a driver by profession was hardly able to suffice the family’s expenses with his meagre income. Thus, even after being skilled in the art of stitching, Manjula had to turn into a household maid in her middle income neighbourhood in order to support her family in their struggle for survival.

Almost a year ago, she became known to Satin and its financial services through which she could realize her dreams again. Manjula availed her 1<sup>st</sup> loan of Rs 25,000 from Satin in the end of 2018 with which she bought a sewing machine, threads and other required material to start her own tailoring business from home. By systematically investing her loan amount, she was able to scale up her business well. Overtime, her business started gaining popularity and her monthly income also increased multi-folds. Seeing her business grow, Manjula’s husband and children also extended assistance to her in their free time.

The financial support from Satin uplifted her entrepreneur spirit. Manjula is now the main income earner of her family and her transformation from a housemaid to an entrepreneur has become an inspiration for the entire village. Her participation in decisions related to business, household and family matters has also increased. She attributes her success in life to Satin which provided her with a better standard of living. Moreover, the good behaviour of Satin’s staff and timely credit availability kept her loyal to the company and she never thought of taking credit from any other organization or local money lenders.

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**About Satin Creditcare Network Limited (SCNL or Satin)** –It is a leading MFI in the country with presence in 22 states and around 80,768 villages. The company’s mission is to be one stop solution for excluded households at the bottom of the pyramid for all their financial requirements. The company also offers a bouquet of financial products in the Non-MFI segment (comprising of loans to MSMEs), a housing finance subsidiary, and business correspondent services and similar services to other financial Institutions through Taraashna Financial Services Limited, a business correspondent company and a 100% subsidiary of SCNL. In April 2017, SCNL incorporated a wholly owned housing finance subsidiary

(Satin Housing Finance Limited or “SHFL”) for providing loans to the affordable housing segment. In January 2019, received separate NBFC license to commence MSME business, Satin Finserv Limited. A pan-India player with a strong presence throughout Uttar Pradesh, Bihar, North East, Madhya Pradesh and is a dominant player in its other states of operations

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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