

Satya MicroCapital: Bringing Financial Independence to Women Entrepreneurs

Bishwanath Chariali, Assam, XX February 2020: Dukheswari Narzary a 26- year-old women, from a small village called Mainashree situated in Bishwanath Chariali, Assam lives with her husband Ajit and two sons. Her determination and zeal to stabilize her economic condition and becoming a successful entrepreneur is motivating.

Dukheshwari’s parents work in the farming sector to make their ends meet like most of the households in her village. Ajit was working far away from home in Bengaluru, hence she decided to earn to make the ends meet. She gathered up all her savings and together, with the help of her parents, opened a small vegetable shop in her village.

Since, she had to raise both her children, she couldn’t concentrate on her shop which led to lower footfall. Eventually the business suffered and resulted in incurring losses which further deteriorated her financial state. In this worse situation, Ajit had to return home to help Dukheshwari with the shop and the household chores.

Looking at the grim conditions of her family, Dukheshwari’s neighbor motivated her to attend one of the projection meetings held in their village by Satya MicroCapital, working towards financial independence of women by facilitating micro entrepreneurial opportunities, thereby benefitting the society and underprivileged families.

Soon after becoming a member of Satya MicroCapital, she received her first loan of Rs. 30,000 in March 2019 and her life took a positive turn. She decided to move beyond selling vegetables and decided to expand. With the help of her first loan, she purchased a shop at a nearby marketplace and started a “*Grocery Shop cum an eating joint*”.

Steadily, their monetary conditions improved and the family income increased from Rs. 3,000 to Rs. 5000 and gradually to Rs. 10,000 - 15,000 per month. Her standard of living significantly improved and her family is now leading a happy life. Now, she is able to provide education to both her children in a better vernacular medium school studying in class 6th & 3rd respectively. Her confidence and business acumen, made her explore and innovate in her venture.

Dukheshwari attributes her success to Satya MicroCapital that provided her with the required financial support to establish her business and fight against all odds to sustain her family.

.....

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.

For further information please connect with:

Bhumika Panda | bhumikapanda@mfinindia.org | +919717738499

Rupam | rupam@ketchumsampark.com | +91 9953511727

Varun Chopra | varun.chopra@ketchumsampark.com | +91 9811241427