

## **Satya MicroCapital: Introducing Women Entrepreneurs to Financial Independence and Sustainable Livelihood**

**Bardhaman, West Bengal, 9<sup>th</sup> September 2021:** Sakila Mondal’s life journey has been noteworthy as she fought through some difficult days and ensured financial stability of her family. Sakila resided in Bardhaman district of West Bengal, with her husband and grandson. Her story of determination and struggle to stand up economically for her family is quite inspiring.

Due to a sudden death of their married daughter few years ago, Sakila adopted her grandson. Being a traditional farmer, Sakila’s husband’s income was barely enough to even suffice the most basic household expenses. The middle-aged couple was finding it difficult to meet the education expenses of their grandson. However, Sakila wanted to see her grandson well-settled in life with quality education and earn decent income in future. Keeping this in mind, she decided to open a small grocery store and earn some extra income to meet their monthly expenses.

While she had made a firm decision of opening her own shop by applying for credit, lack of documentation proofs as required by banks proved to be a hindrance. This is when her neighbour introduced her to one of the loan officers of SATYA MicroCapital Limited, a Non-banking Financial Company- Microfinance Institution (NBFC-MFI) who assured Sakila to provide micro-credit which was collateral free with minimum documentation.

With a basic understanding on the benefits of micro-loans, Sakila opted for her first loan amount of Rs 30,000 from Satya MicroCapital and setup a small grocery store. Since then, Sakila and her husband devoted time towards the expansion of their business which paid off fairly well for their family. At present, she also looks forward to the second loan cycle and has borrowed Rs 45,000 to increase her stock in shop due to increasing demands from customers. With the increased income and savings, she was able to send her grandson to a school of repute.

Today, Sakila has not only become an example of being a successful entrepreneur, but also has become an inspiration to every woman amidst the entire village. Satya MicroCapital has helped many local women entrepreneurs to improve their economic status and realise their dreams to improve their quality of life.

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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.

Currently, it has established 196 branches in 162 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 2,59,377 crores as on March 31, 2021. 5.93 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 10.83 crore loan accounts. The microfinance industry operates across 27 states and 5 Union Territories with the network of 14,673 branches with 1,19,634 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:**

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