

Satya Microcapital: Helping Elderly Entrepreneurs to realise and achieve their Dreams

Patna, Bihar: It is a common perception that only young people can dream of being ambitious entrepreneurs, and only they can strive for success. Rita Devi, a 55-year-old woman and her husband, who lived in a small village called Gonpura in Patna, Bihar, defies this orthodox thinking and has an inspirational growth story.

Rita has been married to Sohan Prasad, for more than 30 years. Fulfilling the duties of good parents, they invested all their hard-earned savings in setting up their small business and wedding of their two sons.

After successfully fulfilling their parental duties, the couple focused on their small general store. But, spending all their life savings on their children, took a toll on their business, and they began facing challenges in operating their store due to lack of funds. Often, they had to depend on their children for their daily needs which was not acceptable to them.

One day, when Rita went to meet one of her friends and explained her on the challenges the couple were facing. It is then, Rita's friend told her about Satya Microcapital and the microfinance service. Rita's friend was an existing member of Satya Microcapital and had successfully established her dairy business with the help of the microloans offered by them.

After understanding the offerings, Rita immediately became a member of Satya Microcapital in 2017 and applied for the first loan of Rs. 35,000. The enterprising couple utilised funds to expand their store and add new inventory to the offerings. Rita also started selling homemade biscuits that quickly became popular in the village. With their previous experience in running a general store, the couple was able to operate smoothly, and began making steady income which brought a new sense of achievement and rejuvenation in their lives.

Since they were performing well in their business, the couple decided to pre-close their loan and applied for another loan of Rs. 50,000 to further expand their business.

Rita Devi has constantly been associated with Satya for the past three years. She has achieved some significant milestones throughout the journey, the latest one being the opening of another store adjacent to her existing store. For the same purpose, she had recently applied for a Micro Business Loan of Rs. 1, 50,000.

Talking about their success, Rita Devi said, "At this age when everyone expects older people to sit at home, we are glad that we worked on our dreams and never gave up. We had a dream and started working towards achieving the same. Now, we both are living an independent life that we always wanted."

Further showing her gratitude, she said "Satya Microcapital has played such an important part in helping us reach where we are today. I want to wholeheartedly thank the entire team of SATYA for helping poor people like us to achieve our dreams."

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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.

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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