

Assessing Credit Requirements of Micro Enterprises in Basti and Lakhimpur Kheri, Uttar Pradesh

In the Transform Rural India Foundation (TRIF) programme geographies – Bankati and Nighasan, Uttar Pradesh – we along with Rang De team conducted a two-day field visit on 12 and 13 October, 2022. The objective of this field visit was to assess the outcomes and challenges of the existing financial interventions by Rang De and to explore opportunities for designing persona-based credit prototypes for micro entrepreneurs.

Under the Work4Progress programme, we in partnership with TRIF are enabling entrepreneurship-led job creation in the Basti, Nighasan, and Lakhimpur Kheri districts of Uttar Pradesh. Rang De is a peer-to-peer lending platform to help entrepreneurs gain access to low-cost credit through their network of social investors. The platform allows social investors to invest in rural micro entrepreneurs. To date, 46 micro loans have been disbursed to entrepreneurs in Bankati and Nighasan and overall, more than 860 enterprises from across India have received low-interest rate loans worth INR 3.5 crores through the Rang De platform.

To gauge the existing financial ecosystem in the region, we interacted with both entrepreneurs who had already accessed loans from Rang De and with entrepreneurs who were in the pipeline of receiving them. The team also interacted with women entrepreneurs who were members of self-help groups and cluster-level federations. The field visit provided insights regarding the average ticket size and the duration of loans preferred by different types of enterprises and validated the need for persona-driven lending products. Persona-based loans will not only give entrepreneurs the choice to opt for a loan product that best suits their business but will also provide them with flexibility during repayments.

Based on the learnings from the ground, we along with Rang De will now co-create persona-based financial products and enhance delivery mechanisms to improve loan availability for underserved micro enterprises.



Jasvir Kaur, 34, a poultry farm owner, sharing credit requirements with RangDe and DA in Nighasan, Uttar Pradesh



Understanding business financials of an entrepreneur in Bankati, Uttar Pradesh