

## **Micro-loans – Helping poor households and businesses survive and thrive in challenging times.**

**Gogunga, 13<sup>th</sup> July 2021:** While the lockdown enabled white-collared professionals to work from the comfort of their homes, it has been quite challenging for low-income families in rural areas to survive. The lockdown severely impacted the income outflow of shop owners in rural India. However, Devika Rajan from Gogunga Village in Rajasthan – well-known as ‘Devika didi’ refused to give up and decided to manage the financial crisis.

Work at construction sights came to a halt, and her husband Devendar was left with no choice but to close down his welding shop in 2020. Further, the small cosmetics shop lead by Devika at the veranda of her house was severely impacted which led to a head-to-toe survival in 2020 for the entire family. Devendra started losing hope as he hardly managed to earn Rs 2,000 on a monthly basis. Devika was determined to support her husband and decided to help improve the financial status of her family.

Observing the change in lifestyle i.e., people shifting from cities to villages due to work from home and preferring more ‘family time’ in 2020, she decided to make gifting items the core USP of her business. She decided to expand her business with a novelty shop stocking new products. With an understanding about the benefits of microloan borrowings from Svatantra Microfin – NBFC-MFI, she registered to the Joint Liability Programme and received the first loan amount of Rs. 40,000. Gradually, the demand of her products grew leading to an improved standard of living with the profits earned.

Today, Devika has not only become an example of being a successful entrepreneur but also has become an inspiration to every woman amidst the entire village. Despite the circumstances, she did not lose hope and was determined to support her family. By getting apt support at the right time, Devika successfully overcame the difficulties during the lockdown phase. She attributes her success to Svatantra Microfin who supported her during the pandemic and helped her stabilise the economic condition of the family.

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**Svatantra Microfin is a next-gen microfinance** entity offering differential banking solutions, leveraging technological innovation in order to bank the unbanked. It aims at encouraging entrepreneurship where traditional banking systems cannot penetrate. We achieve this through a holistic financial and non-financial offering, with microcredit being the main focus. The organisation is based on the tenets of entrepreneurship, transparency, and disruption through innovation. We were honoured to be the first microfinance institution to receive the Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) license from the Reserve Bank of India. Also, rated A+ (CRISIL) and graded M1 (ICRA) Company.

NBFC-MFIs are the only regulated financial institutions in the country that 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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