

## Svatantra Microfin: Providing Support to Women Entrepreneurs during the Pandemic

**Wadloor, Karnataka:** Microfinance has been playing an essential role in transforming the lives of many aspiring women in Karnataka by helping them become independent. The Covid-19 pandemic has impacted several individuals and their livelihood in the hinterlands. During this crisis, Svatantra Microfin has provided extensive support to its borrowers during the pandemic and is helping them lead a stable life.

The growth story of Sharanamma, a resident of Wadloor, Karnataka, is no different. Sharanamma became a member of Svatantra Microfin in the year 2019 and availed her first loan of Rs. 35,029 for running a Grocery store. Her store was receiving a good response. She was planning to expand her business by selling clothes when suddenly the national lockdown was implemented.

During the lockdown, she realized the importance of the availability of essentials and therefore, she ensured that she put in more hard work to make the essentials available for her fellow villagers. During the lockdown, when people were scared to go out to buy essentials, Sharanamma was working hard to keep the shop stocked for the villagers.

Even with all the challenges, she did not opt for a moratorium, despite being offered by Svatantra Microfin.

Showing her gratitude towards the microfinance company, ***she said, "Svatantra Microfin has helped me run my small business and has come to my aid time and again. I am thankful to Svatantra Microfin for standing by my side in the time of crisis. It has supported me during the pandemic period. I am thankful to Svantra for turning the adverse situation into an opportunity and making things favourable for me."***

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Svatantra is a next-gen microfinance entity offering differential banking solutions. At Svatantra, we constantly leverage technological innovation in order to bank the unbanked.

Our aim is to encourage entrepreneurship where traditional banking systems cannot penetrate. We achieve this through a holistic financial and non-financial offering, with micro-credit 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.

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:**

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