

Microfinance Sector wholeheartedly welcomes RBI's measures

New Delhi, March 27, 2020: Industry association and RBI recognized self-regulatory organization, MFIN (Microfinance Institutions Network), today welcomed the measures announced by the RBI to minimize the impact of Covid 19 on the lives of 5.6 crore microfinance borrowers across India.

MFIN had made an industry representation earlier based on the anticipated impact of Covid 19. Speaking on this, MFIN Chairperson, Manoj Kumar Nambiar said, *"The industry concerns have been addressed with the back to back facility of three months moratorium on loan repayments beginning March to May 20 and measures taken to infuse additional liquidity in the country's financial system. We appreciate the Government's and the RBI's wholehearted efforts to minimize the impact of Covid 19 through the economic package announced yesterday and today. We, in turn, will use this facility through our member entities to help our stressed borrowers. With our wide distribution network, we are gearing up to play a pivotal role in making credit available at the bottom of the pyramid where it is required the most."*

Harsh Shrivastava, MFIN CEO said, *"We work with the low income and excluded segments of our society; populations which are easily impacted by any crisis and have no safety nets. In acknowledging the need for credit to keep flowing to the stressed areas of the economy and in providing the right support, the RBI has boosted our industry's confidence tremendously."*

The microfinance sector provides unsecured, small loans to the underserved segment of the society across 32 states in India. With a network of 40,000 branches and workforce of 3 lakh people having an enormous connect with over 5.6 Cr Low Income Households (LIHs), the industry stands the closest to the LIHs to understand the impact, how they are coping and what they need most! In the wake of the virus outbreak, the industry has completely suspended all collections and disbursements. The industry is using its long-standing customer connect to spread the awareness about Covid -19.

About Microfinance Institutions Network

MFIN is a premier industry association comprising 56 NBFC-MFIs and 35 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. It is also the Self-Regulatory Organization (SRO) for the regulated NBFC-MFI. Microfinance Institutions (MFIs) are a key vehicle for Financial Inclusion. By virtue of bringing the NBFC-MFIs under one common umbrella, MFIN acts as a bridge between them and the regulators to build a dialogue for greater transparency, better policy frameworks and stronger client protection standards for responsible lending, thus enabling the microfinance industry to partake in meeting the larger financial inclusions goals.