

## **Midland Microfin Limited Providing Support to Women Entrepreneur to sustain during COVID**

**Punjab, July, XX, 2020:** Microfinance has been playing an essential role in transforming the lives of many aspiring women in Punjab by helping them become independent. The Covid-19 pandemic has impacted several individuals and their livelihood in the hinterlands. During this crisis, Midland Microfin Limited has provided extensive support to its borrowers during the pandemic and is helping them lead a stable life.

The growth story of Kiran Rani, a resident of Balwapnur, a small village situated in the Sangrur district of Punjab, is no different. Four years ago, Kiran was looking for some financial support to improve her Livestock. That was the first time when she heard about Midland Microfin and its smooth and collateral-free loans. She immediately became a member to avail her first loan and has been associated with the institution ever since.

Like most of the households, her business got impacted due to the national lockdown. However, looking at all the benefits from Midland Microfin, she opted for timely repayment of her loan, despite of moratorium offered by the institution.

While showing her gratitude towards Midland Microfin, Kiran said “I am obliged to the microfinance institution for lending financial support to our family. It has helped us improve our social and economic stability. I am planning to avail another loan to buy more cattle that will improve our profit manifolds.”

Amarjeet Kaur, a resident of village Raipur, District Mansa, Punjab has a similar story. She is associated with the micro-lending institution for the past three years since she availed her first loan to run her husband’s small clinic in the village.

Like Kiran Rani, she also opted to repay her loan despite their business getting affected due to the lockdown.

Stating the benefits, she availed from Midland Microfin, Kiran Rani said “I have been regularly taking the benefits provided by Midland Microfin Limited. During the lockdown, our small business faced several issues. However, we understand the responsibility and repaid the loan as per schedule. I believe that we will get more and more benefits from Midland in future and we keep repaying the loan amount. I thank the company for helping me to improve our social and economic status.”

In another example, Parmjeet Kaur, who lives in a small village of Chak Billa, District Sangrur is a member of the same microfinance company for the past three years and took a loan for her cloth business.

Due to the lockdown, her business got severely impacted, and she could not repay her loan EMI. She approached the Midland team who thoroughly explained her the details of opting for the moratorium. Knowing her financial condition, she decided to avail moratorium and work on stabilising her income to be able to repay the loan by the moratorium period ends.

Thanking Midland Microfin for explaining her the method of a moratorium, she stated: “I am thankful to the company and the employees who empathised with my situation and explained how moratorium works so that I could make a wise decision and plan my repayment cycle better.”

Further showing her gratitude towards the microfinance company, she said “This Company has helped us run our small business and has come to our aid time and again. We are thankful to Midland for standing by in the hour of need.”

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Midland Microfin Limited (MML), founded in 2011, is the first Punjab-based microfinance institution (MFI). The institution focuses on financially and socially empowering women by providing small business loans. MML has a network of more than 100 branches, serving more than 200,000 borrowers (2018). It has been an Oikocredit partner since 2018. MML's range of products and services are tailored to the financial needs of low-income working women. The MFI encourages entrepreneurship among women by providing loans for working capital to support their micro-enterprises, such as repair shops, embroidery centers and beauty parlors. The company has adopted the established Joint Liability Group (JLG) lending model. Five women form a group with assistance from MML, and undertake a guarantee on behalf of each other for timely repayment.

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:**

Bhumika Panda | [bhumikapanda@mfinindia.org](mailto:bhumikapanda@mfinindia.org) | +919717738499

Sonia Sarin | [sonia.sarin@ketchumsampark.com](mailto:sonia.sarin@ketchumsampark.com) | +91 9910292599

Abhishek Jain | [abhishek.jain@ketchumsampark.com](mailto:abhishek.jain@ketchumsampark.com) | +91 987663767