

## Svatantra Microfin: Providing Support to Aspiring Women Entrepreneurs during Covid 19 Pandemic

**Haldia, West Bengal:** Microfinance has been playing an essential role in transforming the lives of many aspiring women in West Bengal by helping them become independent & self-reliant. The Covid-19 pandemic impacted the livelihood of several in the hinterlands. During this crisis, Svatantra Microfin provided extensive support to its borrowers helping them lead a stable life.

The growth story of Sephali Manna, a resident of Haldia, West Bengal, is no exception. Sephali associated with Svatantra Microfin in the year 2019 and availed her first loan amount for opening a tea stall and selling snacks. She was making moderate income when suddenly the national lockdown was implemented.

Like most small enterprises across the country, the lockdown severely impacted her business, and her outflow of income ceased. During the dire consequences, the family faced innumerable challenges including skipping a meal to survive.

She found it extremely difficult in repaying her loan installments and hence opted for the moratorium facility for two months ( April-May) as offered by Svatantra Microfin as per RBI guidelines. With the help of some additional investment, she resumed her business and successfully repaid her loan.

Showing her gratitude towards the Svatantra Microfin, *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 a 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. As per industry data, the overall Microfinance loan portfolio stands at INR 2,31,778 crores as on September 30, 2020 serving 5.71 crore unique borrowers ( of which 99% plus are women and for most of whom this would be the first credit facility in their life) with 10.50 crore loan accounts. The microfinance industry operates across 28 states and 4 Union Territories with the network of **14,080** branches with **1,09,521** employees. 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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