

PayNearby ties up with Centrum Microcredit to facilitate Unsecured Business Loans its Retail Partners

- End-to-end digital processes leading to disbursements within 48 hours
- First-of-its-kind proprietary score card developed to rate potential borrowers basis rich transactional data on PayNearby eco-system
- Loans ranging from ₹25k to ₹1 lakh; and tenures ranging from 6-24 months
- To facilitate access to working capital credit for small businesses
- New To Credit Borrowers are also eligible to avail the loan basis track record with PayNearby

Mumbai, 20 May, 2021: As part of its Shop Owners Benefit Program, PayNearby, India's leading branchless banking and digital payments network, has tied up with Centrum Microcredit Limited, the micro finance arm of the Centrum Group, to facilitate unsecured business loans to its retail partners. As part of the tie-up, Loan requirements will be sourced through PayNearby's vast network of retailers and will be disbursed by Centrum Microcredit Limited. The solution is aimed at fortifying and driving the business growth of PayNearby's retail partners, especially in these challenging times where businesses are struggling to stay afloat due to the economic fallout of COVID 19.

The partnership will work towards enhancing the shared goals of the two organizations, which are committed to enabling financial inclusiveness and the economic wellbeing of the retailers. Retailers often need timely and small-ticket working capital loans for short tenures to keep their businesses up and running. More often than not, due to lack of collaterals or being new-to-credit, these retailers predominantly rely on alternative options such as local moneylenders or loan sharks instead of mainstream options such as Banks or Financial Institutions. But, loans from these informal sources come at exorbitantly high interest rates, pushing them further into an inevitable vicious cycle.

This partnership will allow PayNearby to facilitate competitive lending solutions to its retailers who otherwise may not be eligible for formal lending options for a stronger India, PayNearby is determined to ensure that the Digital Pradhans do not face a cash crunch of any kind and continue to offer their services, thus creating a thriving ecosystem for the local community.

The partnership will help Centrum harness PayNearby's rich data acquired through processing billions of transactions per day, adding scale and efficiency to their lending business. PayNearby has an innovative and robust technology backend platform that reaches out to the deep roots of the country using advanced analytics, AI and machine learning to score thin credit files and create simple and efficient micro lending experiences for its retailers, enabling them to secure loans at the click of a button. The loans disbursed to the merchants will be on a pre-qualified basis. To enable this, PayNearby has developed a proprietary scorecard based on the transaction data of the retailers along with a set of agreed pre-qualifying criteria of Centrum; and a credit rule engine based on which eligible retailers are shortlisted.

The partnership will, give Centrum access to a deeply entrenched retailer network, with rich transactional data and hassle-free access to last-mile through PayNearby's stable tech platform. With big data available at PayNearby and the strength of an on ground distribution network, Centrum will provide the retailers with the right lending solutions to meet their growth and sustenance needs.

Additionally, PayNearby has followed a digital-first strategy in its entire product journey. It is currently funding small-ticket, unsecured loans between ₹25,000 to ₹ 1 lakh with tenure ranging from 6 months to 24 months.

The turn-around time is 48 hours even for the new-to-credit and the entire life cycle of the loan starting from origination to disbursement is completely digital. Along with the convenience of applying for a loan, the partnership will ensure that retailers build a strong credit history in this journey and at a certain stage become eligible to take bigger and longer duration loans from banks.

Announcing the tie-up, **Anand Kumar Bajaj, Founder, MD & CEO, PayNearby** said, “PayNearby as an entity has been championing the cause of financial inclusion in the country. However, the objective of financial inclusion is incomplete until our retailers get access to credit. We have given our retailers access to livelihood, access to insurance and access to savings with various products in the financial services spectrum. The only missing piece was access to credit. In our endeavour to making credit available to our retailers at affordable interest rates, we have partnered with Centrum Microcredit Limited. Along with PayNearby’s substantial data, together with Centrum, we are hopeful of addressing the issue of working capital credit for our retailers through these micro-enterprise loans.

Our Digital Pradhans are our backbone. They have shown great resilience throughout the pandemic by providing uninterrupted service to ensure citizens have access to essential financial resources. In these dire times, we are committed to fortify them in spirit and with financial backing to ensure their businesses function smoothly as ever.”

Speaking on the partnership, **Prashant Thakker, Executive Director & CEO, Centrum Microcredit Limited** said, “Financial inclusion is a key focus area for us. Our partnership with PayNearby adds to our vision of making a positive, social and economic impact in the lives of retailers by providing unsecured working capital credit to ensure their business functions uninterrupted. With this initiative, we will be able to bring many small retailers into the mainstream credit fold. This will also help us to diversify our operations geographically and expand our offering in terms of tenure and repayment model of loans. We are excited to call on PayNearby’s rich data and massive retailer network to fulfill the dream of a financially inclusive India.”

Within six weeks of the launch, the company has received over 270 applications on its platform and has disbursed loans worth ₹36 lakhs to more than 60 retailers.

About PayNearby:

Incepted in April 2016, PayNearby is a fintech company creating technology and distribution network to reach financial/non-financial services to India and Bharat both. PayNearby empowers retail shop owners to offer digital services to local communities, thereby boosting digital financial inclusion. Retailer services are focused on Agent Banking, Digital payments, microSavings, microInsurance, Loan enablement among others.

It was founded by Anand Kumar Bajaj, Subhash Kumar, Yashwant Lodha & Rajesh Jha who bring with them rich experience in the field of banking, payments and other financial sectors. PayNearby is a DIPP-certified FinTech startup, partnering with various financial institutions including YES Bank, RBL Bank, IndusInd Bank, SBM Bank India, Equitas SFB, Ujjivan SFB, Axis Bank, ICICI Bank, State Bank of India, CC Avenue, Bill Desk, NPCI, FASTag, NBFC and FMCG companies. It is the sole technology provider using Aadhaar Enabled Payment Services (AEPS) and IMPS to YES Bank, making them one of the only two fintech companies hosted by the National Payments Corporation of India (NPCI).

About Centrum Microcredit Limited:

Centrum Microcredit Limited (CML) is a NBFC-MFI regulated by the RBI and part of the diversified financial services Centrum Group. The company provides loans under the joint liability model to low income women entrepreneurs in urban, semi-urban and rural areas. 'Financial Inclusion' is the key objective, and it wishes to empower the un-served and under-served women by providing income generation loans and other relevant financial services. It aims to positively impact 3 million low income households by 2025 across India by being their financial services provider of choice. For more details, please visit www.centrummicrocredit.com

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