



## Building Bridges to Success: Microfinance as a Tool for Women's Financial Inclusion

**Bihar, 15 May 2023:** Microfinance has been instrumental in promoting financial inclusion, particularly among women and low-income individuals. Opening the doors to economic empowerment and a better future, it has emerged as a pivotal tool for women to pursue entrepreneurship.

A report by the **Microfinance Institutions Network (MFIN)** highlights that more than 60 million women have been able to benefit from small, unsecured loans, which are easily accessible. This credit has positively impacted around 300 million families, alleviating them from poverty. In India, microfinance has grown to be a potent force that empowers women by providing fruitful prospects to increase their self-worth, self-confidence, and employment opportunities.

Take the example of **Anamika Devi**, a resident of a remote area in Lalganj, Bihar, Anamika represents the strength and resilience of women, who serve as fundamental pillars of our society. Having completed her education till class X, she strongly believes in education's profound impact and aspires to educate her children. However, her husband's limited income would often pose a hurdle to her dream, given the added responsibility of sustaining a family comprising of her husband, herself, two daughters, and two sons.

Seeking opportunities to fulfil her aspirations, Anamika learned about **Arohan Financial Services Limited** from her neighbours. Her inhibitions about her ability to repay the loan were squashed on speaking with Arohan's officials, and she proceeded to obtain a loan of 12,000 rupees to establish a grocery business in 2017. With this financial assistance, she initiated her grocery enterprise, which empowered her to pursue her aspirations to support her family and guarantee prompt loan reimbursement.

Expressing her gratitude to Arohan, she said, "*I am immensely grateful to Arohan for assisting me in realizing my aspiration to start my very own business and financially support my family.*"

*After receiving my initial loan from Arohan, I never turned back. Today, my children are enrolled in schools and colleges, and my business is also progressing. I have successfully launched a dairy business post the success of my grocery enterprise. It gives me a sense of fulfilment that I am living my long-cherished dream of supporting my children's education and have gained the admiration of my family and other women around me. "*

### Background Note:

**Arohan Financial Services Limited:** Arohan Financial Services Limited is a leading NBFC-MFI with operations in financially under-penetrated Low-Income States of India. Arohan provides income generating loans and other financial inclusion related products to customers who have limited or no access to financial services.

**Microfinance Industry:** As on December 31, 2022, the microfinance industry served 6.4 crore unique borrowers, through 12.6 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of INR 3,20,584 crores. GLP as on December 31, 2022, showed



an increase of 25.2 per cent YoY over INR 2,56,058 crores as on December 31, 2021. The sector comprises RBI-regulated microcredit providers including NBFC-MFIs, Banks, Small Finance Banks, Business Correspondents, and others.

**MFIN (Microfinance Institutions Network):** MFIN is a premier industry association comprising 55 NBFC-MFIs and 44 Associates including Banks, Small Finance Banks (SFBs) and NBFCs. By virtue of bringing all microfinance entities 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 inclusion goals.