



Vaya Finserv: Empowering women to attain financial independence with microloans

Bihar, 12th December 2022: Microfinance plays a significant role in providing financial inclusion for the underprivileged. It helps to improve the socioeconomic standing of marginalized groups. Microfinance is effective empowering women to be financially independent, raising income, and assisting economically disadvantaged communities.

Vaya Finserv is one such organization that provides collateral free loans to women in rural India who do not have access to traditional bank loans. It helps them in building and expanding their small businesses, and thereby improving the economic well-being of their families. This organization not only helps women financially but also provides financial literacy to help them elevate their financial conditions.

The story of Punea Devi, a 37-year-old woman from Muzaffarpur- Bihar , is one such inspirational tale. Punea and her husband were farm laborers in a field that belonged to local landowners. The family's income was very minimal, and they had two children. In 2019, her husband's left arm was amputated in an accident, which deteriorated the situation of the family. After the tragedy, Punea was the family's only source of income, making it even harder for them to survive—let alone pay for their children's schooling and other expenditures.

Punea was desperate to find a way to support her family and decided to open a small fruit and vegetable shop. However, she did not have the money or the resources. That all changed for the better when she attended a village introduction meeting led by Vaya Finserv in 2021. There, she learned about the microloans they offer to women with no collateral requirement.

She also discovered that they provide assistance in starting small businesses. She spoke to the loan officer or Sanghamitra and asked for the money she needed to get her own business up and running. Thanks to Vaya Finserv, Punea's dream become a reality.

The Sanghamitra explained her the process of obtaining the loan through Joint Liability Group (JLG). She obtained the loan of INR 25,000 and started her business of selling fruits and vegetables. She cleared the unused land and began planting vegetables there. Also, with the help of loan provided by Vaya Finserv, she purchased a pushcart to sell vegetables across the village. With her determination and Vaya's easy financing, her current daily earnings range from INR 700 to INR 900.

Punea is appreciative of Vaya's simple loan application procedures for microfinance since she can now easily meet her family's everyday demands. **Expressing her gratitude she added,** *"I am really grateful to Vaya for making this possible for me and supporting me during times of immense need. My financial situation has improved as a result of their simple loan application processes"*.

Microfinance has emerged as one of the most important tools in promoting financial inclusivity making credit available at the last mile. For disadvantaged people that do not have access to regular banking advantages, it serves as a safety net. It makes it possible for families with low incomes to escape poverty, gives women more financial independence, and improves their standard of living.

**Background Note:**

Vaya Finserv: Vaya Finserv is a next generation NBFC-MFI which uses the peer group lending model to offer unsecured, income-generating loans. With 5.10 lakh customers across 7 states and 266 branches, Vaya has one of the fastest-growing microfinance networks in the country. Through the implementation of effective, tech-savvy models Vaya has enabled the integration of unbanked, underserved low-income women entrepreneurs into the formal economy.

Microfinance Industry: The Indian microfinance sector has come a long way. As per industry data, Microfinance loan portfolio stands at INR 2,93,154 Crores as on June 30, 2022, serving 6 crore unique borrowers with 11.8 crore loan accounts. 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 56 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.