



## **Microfinance, a catalyst towards growth and opportunity for women empowerment**

**Bihar, 8<sup>th</sup> February 2023:** Microfinance plays an important role in empowering women, both inside and outside their homes and in the workplace. The sector leads to greater respect, independence, and involvement for women, making them self-sufficient and thus contributing towards the development of the country.

Microfinance institutions allow low-income households to avail the benefits of financial services without any collateral. The vision behind such an initiative is to provide equal access to micro-finance services such as credit, savings, and micro-insurance to low-income customers that could help them to begin with or expand their existing businesses.

A beautiful example of this is the story of Babita Devi, a 35-year-old woman from Ramchua, Bihar who lives with her husband and two children. Her husband was a fish vendor who used to sell fish from one village to another. However, his earnings were insufficient to meet the basic family expenses.

A couple of years ago, Babita heard about Fusion MicroFinance offering collateral-free loans to women for income generation. She and her fellow group members applied for the loan. As a result of the loan, she began with cattle farming at home and started selling milk. Later, with the second loan cycle, she bought more cattle and hired a resource to manage them. As a result of her business, she helped her husband to begin fish farming and sell at the local markets with the savings she made from her business.

Through her prospering business and her dedication, Babita gained respect amongst her family members along with being an inspiration in the community.

**Expressing her gratitude towards Fusion, she said,** *"Financial support provided by Fusion Microfinance has truly changed my life. My family is finally financially stable now. I am immensely grateful to Fusion MicroFinance for their continued support in the time of need."*

Microfinance institutions empower women economically by providing working capital and support so that their families receive a consistent income. Women receive microcredit to start new businesses and expand the existing ones. By providing credit and training services, microfinance institutions have given women more confidence and helped them become more active members of their households and communities.

### **Background Note:**

**Fusion MicroFinance:** Fusion MicroFinance is a registered NBFC – MFI which operates in a Joint Liability Group lending model of Grameen. It aims at reaching out to the unbanked population and provides financial services to women entrepreneurs belonging to the economically and socially deprived section of the society. The company believes in robust business practices, transparent policies and aspires to create value and balanced growth for all its stakeholders while keeping clients at the centre.

**Microfinance Industry:** As on September 30, 2022, the microfinance industry served 6.2 crore unique borrowers, through 12.0 crore loan accounts. The overall microfinance industry currently has a total Gross Loan Portfolio (GLP) of INR 3,00,974 Cr. GLP as on September 30, 2022, showed an increase of 23.5 per cent YoY over INR 2,43,737 Cr as on September 30, 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 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.