



Small Loans, Big Impact: How Microfinance is Transforming Lives of Women in India

Haryana 13th April 2023: Equipping women with access to financial services, supporting their small businesses, and enabling them to accumulate assets, Microfinance is emerging as a significant tool for women's empowerment in India. According to a report by the Microfinance Institutions Network (MFIN), more than 60 million women are currently benefiting from small, easily accessible, unsecured loans, impacting as many as 300 million families.

Microfinance in India effectively empowers women by enhancing their confidence and self-esteem and generating many employment opportunities. By breaking barriers to women's economic participation and promoting gender equality, Microfinance endeavors to ensure equitable access to microfinance services, comprising credit, savings, and micro-insurance, for individuals belonging to low-income strata. With a primary goal of facilitating the initiation or expanding their economic ventures, microfinance is providing Indian women with a platform for financial independence.

An inspiring instance of how microfinance can impact women is the story of **Ms. Sunita** and her ordeals to achieve financial stability. As the sole breadwinner in a family of four residing in Mahendergarh, Haryana, Ms. Sunita was compelled to support her family. She decided to start an animal husbandry venture but knew that even buying a buffalo would require an investment beyond her savings.

On further inquiry, she learned about SAVE Microfinance, which organized financial literacy camps in her village. Through SAVE, she became aware of Joint Liability Group Loans that offer financial assistance by means of a shared guarantee among a limited number of women associates within the local community and require minimal documentation. She became a member of a joint liability group and obtained a loan, gradually increasing her income. Presently, with the assistance of SAVE, she sells milk to neighboring dairy shops and households within the local community, achieving financial stability for her family.

Expressing her gratitude to SAVE, Ms. Sunita said, "I am immensely grateful to SAVE Microfinance for helping me and my family achieve financial stability. It was with their assistance and financial advice that I am now successfully running a milk business and inspiring fellow local women in my and nearby villages."

Through her own diligence, coupled with the opportunities offered by microfinance, Ms. Sunita has become a role model in her community and established herself as the successful sole breadwinner of her family.

Background Note:

SAVE MicroFinance Pvt. Ltd.(SMPL): It is a NBFC-MFI (Non-Banking Finance Company – Micro Finance Institution), with its registered office at Delhi. SMPL has received its Certificate of Registration (COR) to work as NBFC-MFI from Reserve Bank of India on 05th October, 2017 (Registration No: N-14.03377). It is a new generation tech savvy microfinance institution which



operates through Joint liability group(JLG) lending methodology and provides micro-credit services exclusively to women entrepreneur's. A typical loan ticket size ranges between INR 15,000 – INR 60,000 and is given exclusively for Income generating activities such as small business, handicrafts, trade and services, agricultural and allied activities .SAVE leverages on its wide network of CSPs (Customer Service Points) to provide both cash-in & cash-out at the doorstep of these women micro-entrepreneur's.

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 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.