



Vaya Finserv helps the underprivileged women in rural India in fulfilling their dreams

Karnataka, 20th October 2022: Microfinance institutions have played a crucial role in filling the gaps fueled by the limitations of conventional banks in reaching the underprivileged and vulnerable people. These institutions are considered as one of the most effective instruments for empowering these marginalized groups with their economic and social living standards. Microfinance has enabled the underprivileged section to build profitable business opportunities and avail benefits of financial services without any collateral.

One such inspiring story is of Namita, a 51-year-old woman from Karnataka's Belgaum District, in the village of Halasi who had moved to Karnataka in 2014 with her two children who were 5 and 2 years old, respectively. She wanted her children to get the best education and succeed in life, but her economic condition proved to be a barrier in accomplishing her dream. Her husband worked in the agriculture sector however the income earned was insufficient to support the family of four.

Over the years, they took on too much debt for the family to handle. They were unable to pay back the loan on time which led to stress and strife. Namita wanted to share her family's obligations with her husband and support him financially, but she had no means to do so and felt powerless.

In 2019, Namita learnt about Vaya Finserv through a neighbor who had earlier benefited by receiving a microfinance loan from the institution. After some encouragement, she decided to avail a collateral free loan. Her husband had a tractor which wasn't in an operational state. She utilized the loan to repair the tractor to avoid incurring additional costs from purchasing new equipment.

This helped her in earning a consistent income. She along with her husband paid off all the high-cost debts. Additionally, savings from the differential interest are now being used for her children's education. Namita is eager to develop as an entrepreneur and is incredibly grateful for Vaya's prompt assistance. A moment of courage transformed her life for the better.

Expressing her gratitude for Vaya FinServ, she said, "Financial support provided by Vaya has profoundly changed my life. After years of hardships, my family is now financially stable. I am finally able to provide quality education to my children so they can have a bright future. I am immensely grateful to Vaya FinServ for their continued support in a time of need."

Financial inclusion of marginalized groups is integral for the reduction of poverty. Micro-credit has been well-recognized as an effective tool for poverty alleviation and for improving socio-economic conditions of people with limited financial services. Microfinance also delivers economic development for the country by providing adequate financial services to impoverished individuals.

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.