



Vaya Finserv : Empowering and uplifting rural women through financial inclusion

Odisha, 17th November 2022: Microfinance is playing an integral role in transitioning the lives of underprivileged women in rural India. According to a report by Microfinance Institutions Network (MFIN) called 'Micro Matters: Macro View – India Microfinance Review FY 2021-22', over **60 million women** are at present being reached through these small, easily serviceable, collateral free loans and it is positively impacting as many as **300 million families**. As a result, a vast unbanked and unserved population of India today has access to formal credit even in the remotest districts of India.

One such inspiring story is of **Sasmita Mallik**, a 42-year-old woman from Kotagarh village in Dhenkanal district, Odisha where she lived with her husband, Suman and two school going children. Suman worked as a farmer and earned Rs 9,000 per month which was insufficient to support the family of four. Sasmita struggled significantly with managing the household expenses and her children's education with the meagre income and eventually they started borrowing money from local moneylenders which led them to owe huge debt.

Sasmita 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. She considered purchasing a cow however, it would cost about Rs. 30,000, and lack of funds was a limitation. One day, while Sasmita was sharing her state of plight with her neighbor, she was informed about Vaya Finserv – a NBFC-MFI who supported women like her to improve the livelihood condition and make them financially independent. With her sheer determination and hope, she met with Balakrushna, Vaya's Sangamitra or the Loan officer, and described the issue and the need for money.

The loan officer explained her about the Joint Liability Group (JLG) methodology and loan eligibility process. Sasmita adhered to the JLG norms and immediately obtained all the necessary KYC for digital enrolment. She availed a loan of Rs. 30,000 and used the money to purchase a cow. Selling milk allowed her to finally increase her family income and she was able to payback timely, thanks to Vaya's convenient fortnightly repayment option. She is now able to manage the family budget, the children's tuition, and even helps her husband with household bills. In addition, she is preparing to buy more cows and grow her business.

Expressing her gratitude for Vaya Finserv, she said, *"I am extremely thankful to Vaya for helping me in time of need. They made my dream come true of starting my own dairy business. I am finally able to support my family financially and share my husband's burden. I look forward to work with Vaya again in the future and further grow my business."*

Microfinance is a blessing to the marginalized and underprivileged groups as it provides collateral-free short duration loans for starting or expanding their business. Additionally, it has played a crucial role in women empowerment as women constitute a large portion of the borrowers in the sector. It helps them in increasing their household income and being financially independent.

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.