



Vaya Finserv elevating financial inclusivity in India through microfinance loans

Tamil Nadu, 8th February 2023: Microfinance as a module was designed to help with economic development and reduce poverty, and over the years, NBFC-MFIs have spread all over the country to expand their resources and help achieve these goals. However, NBFC- MFIs now besides offering microcredit to their customers are utilising the relationship with their customers and community to offer services namely education, water and sanitation, financial literacy, insurance etc.

One such story is of Naga Lakshmi, a 45-year-old woman from Lalgudi in Tamil Nadu, who used to work with her husband at a modest hotel nearby. Even though they both had salaries, the income was insufficient to support their family of four. They had a son who was attending school, but they were struggling to pay for his education because of their limited resources. Due to the financial crisis, they were constantly depressed and anxious. Later one fine day, Naga Lakshmi decided to open a hotel in her village to end the misery however she was unable to proceed due insufficient funds and lack of collateral security.

Naga Lakshmi learned about Vaya Finserv Private Ltd. when it was introduced during a village meeting by a loan officer. She requested for a loan of INR 35,000 after learning about the JLG (Joint Liability Group) model and the simple loan application process. She utilised the loan amount and started her hotel with limited budget. With time, the hotel gained popularity due to its services which led the couple to make decent profits. Naga Lakshmi received a second loan to expand her business after successfully repaying her first loan in due time.

Talking about her journey, she said, *"Vaya Finserv has helped me build and expand our hotel by giving us the necessary financial support. I'm proud to say that we still look forward to working with Vaya to grow our business, and I'll continue to recommend Vaya to our friends and family. I'd like to express my gratitude to Vaya for their unwavering support throughout out the difficult times."*

Microfinance not only helps people in need of financial assistance, but also provides many intangible benefits. For example, it has significantly increased women's participation in owned enterprises at the foundation of the socio-economic pyramid of the Indian economy. This participation is not only qualitatively but also quantitatively much higher than before.

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: 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.