



Microfinance Institutions uplifting lives of over 62 lakh people in Karnataka through microcredit loans

- Gross loan portfolio of microfinance institutions in Karnataka is INR 26,500 Crore
- Microfinance institutions work across 28 states, 9 union territories, and 634 district in India, ensuring that credit and other crucial financial services reach rural and urban India

Karnataka, 14th December 2022: Microfinance Institutions Network (MFIN), industry association for Microfinance and an RBI-recognized self-regulatory organization jointly with AKMI, Association of Karnataka Microfinance Institutions, today discussed the role of microfinance in extending credit and other financial services to the weaker sections of the country in a press meet. Ms. Achla Savyasaachi, National Head – State Initiatives at MFIN, Mr. Udaya Kumar Hebbar, MD & CEO, CreditAccess Grameen Ltd. and Mr. Anand Rao, Joint Managing Director, Chaitanya India Fin Credit Pvt Ltd and Chairman – AKMI spoke about the role of microfinance in building a financially inclusive ecosystem in Karnataka.

In building a mature microfinance market, crucial roles have been played by an informed and supportive ecosystem created by the Karnataka State policy, bureaucracy and law and order machinery and by the district authorities and administration to take the national agenda of financial inclusion to the last mile.

Microfinance customers in Karnataka have shown immense eagerness to explore interventions for family well-being and resourcefulness. The same alacrity has been shown to learn the importance of good credit discipline, regularity in repayment and respect for lending institutions' advice to borrow within their capacities.

Ms. Achla Savyasaachi, National Head – State Initiatives at MFIN (the industry association for Microfinance and an RBI recognized Self-Regulatory Organization), said, "In Karnataka, microfinance institutions are providing collateral-free microloans to 62.23 lakhs women of low-income households. These loans help the women in livelihood generation through activities like weaving, animal husbandry or produce /trade, besides helping them meet the household medical expenses, education, or home improvement. Microfinance institutions have always stood by their customers at all times."

Mr. Anand Rao, Joint Managing Director, Chaitanya India Fin Credit Pvt Ltd and Chairman - AKMI said, "The sector's resilience has been demonstrated during Covid-19. The unanimous efforts of the policymakers, the microfinance institutions and the borrowers helped the sector tide over a difficult time. Microfinance customers have also joined the digital financial transformation by receiving their loan disbursements in their bank accounts and have also started exploring digital modes to repay their loans."

Mr. Udaya Kumar Hebbar, MD & CEO at CreditAccess Grameen Ltd. said, "Karnataka features among the top five microloan markets in the country, which has been at the forefront of creating women entrepreneurs. It has witnessed a rapid expansion of these services over the years with the assistance of AKMI at the state level and MFIN across India, fostering cooperation among all players operating in the financial inclusion realm. Microfinance institutions are proud of their role in creating a sustainable livelihood ecosystem and look forward to fulfilling rural aspirations."



Microfinance has many intangible benefits besides helping in income generation through loans. It has significantly expanded women's participation in the owned account enterprises at the foundation of the socio-economic pyramid of the Indian economy both qualitatively and quantitatively. Microfinance customers are becoming crucial for their families to build basic capabilities to live with self-esteem and confidence without depending on moneylenders.

Microfinance institutions work across 28 states, 9 union territories, and 634 districts, ensuring that credit and other crucial financial services reach rural and urban India. Primary customers of Microfinance services are women from low-income households, and 6.2 crores (62 million) women have been able to access these small, easily accessible, and serviceable loans, impacting as many as 300 million families.

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.

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