



Rajasthan Microfinance Customers benefit from a Dedicated Customer Support Mechanism.

Udaipur, April 2023: RBI-regulated Microfinance institutions play a crucial role in taking microfinance loans to the doors of their women customers. According to MFIN (an RBI-recognised self-regulatory organisation and microfinance industry association in India) report, at present 64 million women across India have access to microfinance services for entrepreneurial, educational, water and sanitation and house repair needs.

Microfinance Institutions Network (MFIN) and its members (who are regulated by the RBI) play a critical role in ensuring credit to the people that form the foundation of the socio-economic pyramid of the country and will remain committed to the customers through a robust Customer Redressal Mechanism in Rajasthan.

RBI-regulated entities in Rajasthan, namely NBFC-MFI, Small Finance Banks, Banks, NBFC and Business Correspondents, have been operating in the State for over a decade. They provide collateral-free, small loans to the low-income, financially excluded segment of the population, who otherwise have no access to formal financial services.

Speaking on the role of Microfinance, Ms Achla Savyasaachi, National Head – State Initiatives, said, *"In Rajasthan, there are as many as 43 lakh women borrowers who have availed credit for various economic activities. To create greater awareness about important aspects of Microfinance, precautions they need to take while accessing these services, and above all, enabling customers to differentiate between RBI-regulated and unregulated financial service providers, MFIN has recently aired 'Aapke Saath, Microfinance Kee Baat' on Radio and published in Print to reach out to all districts of Rajasthan."*

Microfinance borrowers need to know that a three-tier grievance redressal mechanism is at work to provide timely relief to their grievances. They can approach their lending institution on the toll-free number on their passbook, connect with MFIN SRO on its Toll-Free Number **18001021080** or **connect with the RBI Ombudsman**.

With the objective of building a strong financial inclusion movement in Rajasthan, Microfinance Institutions are diligently working toward building customer-friendly microfinance services with the support of the Administration, law enforcement agencies and their millions of customers.

Background Note:

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.