

Impact of Microfinance Policy And Practices on Indian Economy

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This paper examines the impact of microfinance on economic growth in India. Emphasis is made on the Major role of microfinance institutions in India which is poverty reduction. Assets, Deposit Liabilities, Loans & advances microfinance banks were used the activities of microfinance institutions in India while Gross Domestic Product was used as for economic growth. The importance of Electronic Microfinance Institutions in India economy cannot be over emphasized; this is because it plays a vital role in the financial intermediate on process and also in the lives of the low income earners whom constitute over 70 per cent of the Indian population. Employment and income generation are important of poverty alleviation effort, building capacities for wealth creation among enterprising poor people and promoting sustainable, Agriculture and microenterprise, Rural people are empowered through Electronic microfinance loans and services, and hence small scale agricultural practice and microenterprise is developed. Electronic Microfinance is an intervention based on Social Intermediation in which poor people can mobilize their savings, link it with credit and finally become self-employed. It results in building social capital. This study is based on existing literature Review and some of the has been collected from Nabard annual Reports, progress status of Microfinance of each state and RBI reports etc. Although, the Indian Government has launched several subsidized microfinance programme for the benefit of the very poor section of the society and the cooperatives weaker section of the society could not be turned around. Of late, electronic microfinance has emerged as a Catalyst of rural social development, especially in the overpopulated country like India.