MICROFINANCE INSTITUTIONS NETWORK

Media Visibility Report

Other Quotes and Interactions
## Media Coverage Index

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Date</th>
<th>Publication Name</th>
<th>Edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>07.07.2020</td>
<td>CNBC TV18</td>
<td>Electronic (TV)</td>
</tr>
<tr>
<td>2.</td>
<td>12.07.2020</td>
<td>ET Magazine</td>
<td>All Editions</td>
</tr>
<tr>
<td>3.</td>
<td>15.07.2020</td>
<td>The Economic Times</td>
<td>All Editions</td>
</tr>
<tr>
<td>4.</td>
<td>27.07.2020</td>
<td>The Economic Times</td>
<td>All Editions</td>
</tr>
</tbody>
</table>
Microfinance Institutions Credit Cost Outlook

A Status Check

- Portfolio ↑29.3% to ₹2,31,788 cr in FY20 (YoY)

Canara Bank
Board Meet on July 10 to Consider Fund Raising

Canara Bank 102.30
2.60

Nifty 50 Jul
10681.60
32.70

Coming up:

- AurPh
- AxisBk
- CPSEETF
- CreditAcc

11:47
<table>
<thead>
<tr>
<th><strong>Publication</strong></th>
<th>The Economic Times</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Edition</strong></td>
<td>All Editions</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>15th July, 2020</td>
</tr>
<tr>
<td><strong>Page No.</strong></td>
<td>4</td>
</tr>
</tbody>
</table>

**Green Shoots Out**
Finance companies loosen their purse strings as they see disbursements for farm equipment and two-wheeler are better than last year on the back of a good harvest as well as faster recovery in the rural economy.

**Rural Finance Uptick Renews Hope**

Mumbai: The road to recovery for India's economy may just be getting better. Rural financing for vehicles and farm equipment, one of the most critical indicators, has given economy watchers something to smile about.

Leading finance companies such as Chennai-based Mahindra Finance, HDFC, L&T and Mahapuran are seeing a 40-60% higher collection and disbursements from their rural branches.

At Rural based Mahapuran Finance, one of the largest non-banking financial companies, with nearly 4,200 branches across 25 states, its chief executive VP Nandakumar says, "In June, disbursements have gone up by 50-60% from May, reaching 80-85% of pre-Covid levels due to demand for two-wheelers, tractors and entry-level cars. Collections have improved and 25% of those availing moratorium have started paying the instalments in June. We expect to maintain this momentum over the next quarter."

Nandakumar adds that a large section of his customers are also monetising gold jewellery that's pledged with them. Average ticket size of a loan in a large finance company is Rs 1 lakh while the same for a microfinance company ranges from Rs 10,000 to Rs 1 lakh. Average duration for repaying such a loan is 42-48 months, bound by a contract. Finance companies say they are loosening their purse strings even more now thanks to the better liquidity position. "A good harvest as well as faster recovery in rural economy is giving borrowers the confidence to repay their ongoing loans. We are seeing the rural consumer paying up on time," said Rajesh Verma, managing director, Mahindra Finance.

In the case of Mahindra, microfinance collections have grown from 15% in May to 50% in June. In July it could touch 75%. Vehicle finance improved from 35% collections in May to 75% in June.

The finance companies maintained that disbursements for farm equipment and two-wheelers have been better than last year. "Even if the ticket size of the vehicle hase gone up due to the BS-VI transition, the need for personal transport is fuelling the rural consumer to opt for a new vehicle," said a senior official of a Mumbai-based finance firm.

Out of the total 1,100 branches of Mahindra Finance, 1,100 have opened till date, says Verma, maintaining that in rural markets, there is consistency unlike urban markets. "Most of the company's rural branches in Uttar Pradesh, Bihar and Rajasthan saw collections picking up since the last few weeks," he added.

Financiers are optimistic that by August-September, they should get back to normal levels, if this trend continues. Rural bounce back is need-based consumption and on the back of recovery of routine agricultural activity, the farm cash flow has also improved, say experts. Paul Thomas, founder of ESAR, a small finance bank with significant rural presence says, "Farming disbursements have gone up significantly from February levels having reached 60-70% of the normal rural demand." Manoj Nambari, MD, Arohan Financial Services and chairman of Micro Financial Institutions (MFI) says, "There is demand for credit at the bottom of the pyramid. The trend of collections is going up — a clear indication that activity is picking up from farmers."

Mafi’s indicators are the microfinance momentum in July is better than June.

*(This story is part of a series of articles in association with Facebook. Facebook has no editorial role in this story.)*
TAP SPECIAL LIQUIDITY FACILITIES – TL TRO & PGC

MFIs’ Fundraising Up Over Fourfold in Four Months of FY21

Saikat Das1@timesgroup.com

Mumbai: Fund-raising by microfinance institutions (MFIs) through bond sales has more than quadrupled this fiscal year amid dedicated liquidity windows, paving the way for accessing capital at relatively cheaper rates in future.

They have raised ₹1,555 crore so far in the financial year, compared with ₹355 crore in the corresponding period last year, according to data compiled by JM Financial.

CreditAccess Grameen, Arohana, Asirvad, Sunita, Svanidhi and Spandana are among the MFIs that have tapped the market via the Targeted Liquidity Long Term Repo Operation (TL TRO) and Partial Credit Guarantee (PCG) scheme.

The Reserve Bank of India recently announced TL TRO of ₹1.5 lakh crore in two tranches for non-bank lenders, wherein it mandated banks to subscribe to debt securities issued by NBFCs, both from the primary and secondary markets. Moreover, about two weeks ago, the finance ministry said PSU banks had approved the purchase of bonds and commercial papers worth ₹4,667 crore issued by 67 NBFCs under the PCG scheme.

“People have tested MFI credit through the compulsory regulatory window,” said Ajay Manglunia, head of fixed income at JM Financial. “If credit behaviour is proved to be better than expectations, MFI bond issuances will rise,” Manglunia added.

This financial year, about 40 series of papers have been issued by micro lenders, including Annapurna, Satin, Pradhan and Belstar. Arohana, for instance, has raised ₹500 crore so far via bond sales under TL TRO and PGC, and is likely to raise a similar quantum through the normal route.

“Initial investor confidence is a key to becoming regular issuers of bonds,” said Manoj Nambiar, MD of Arohana Financial Services.

Rajosik Banerjee, head of financial risk management at KPMG, said MFIs need to establish their credentials, and strengthen underwriting and recovery processes. “Regular repayments would instil stronger confidence for MFIs, who can expect to lower funding costs in the coming days,” said Banerjee.