



Muthoot Microfin empowering women towards a better future through financial inclusivity

Maharashtra, 20th October 2022: Recently, Union Finance Minister Nirmala Sitharaman mentioned that 45% of all loans under the "Mudra" programme have been disbursed to women to empower them. Still, many women across the country face barriers in availing these schemes due to lack of awareness and guidance and have to rely on informal sources, such as loans from friends and family, or loan sharks.

The microfinance industry is bridging this gap by reaching out to marginalized rural India and empowering women to become financially independent, thus improving their livelihood. Microfinance enables women with the financial assistance which they need to start their own business ventures and actively participate in the economy. Muthoot Microfin is one such organization working towards the financial inclusion of underprivileged people and giving them the means to uplift their living standards.

One such story is of a 33-year-old lady, Najama Rouf Noor from Ralegaon in Yavatmal district of Maharashtra who always dreamt of helping her family and driving her business. Due to lack of financial support, she was unable to do so. For a few years, she could barely support the essential needs and had to start out as a small shop owner, selling small hardware items including scrap with no notable income.

She continued with her hard- work but the income was sufficient to buy essential commodities for the family. Her husband also toiled as a daily labourer and was unable to help her much in fulfilling her dreams to revamp her shop and expand her business.

One day, Najama's relative introduced her to Muthoot Microfin and its benefits. She was reluctant at first as she did not have any collateral or security to avail a loan. Najama was delighted to know that they provided collateral-free loans and immediately joined a Joint Liability Group (JLG) to avail the first cycle loan of ₹30,000. She wisely utilized the loan amount to buy fast-moving products for the shop.

Soon after Najama's business started grew and her customer base doubled within a couple of months. Today, her business is one of the flourishing one in the area. Further, she hired two full-time workers at her shop and her weekly revenue ranges between ₹1500 and ₹3000.

Najama's determination and can-do attitude established her as an ideal example for other women entrepreneurs in the area seeking microfinance loans. She has inspired the community with her zeal to achieve her dreams. **Expressing her gratitude for Muthoot Microfin, she said,** *"I had to wait three years to get the required support and when Muthoot offered me the collateral-free loan, I did not hesitate even for a moment to accept it."*

Women play a crucial role in the economic development of their families and communities but obstacles such as poverty, unemployment, low household income and societal discriminations have hindered their effective performance of that role. With the help of government initiatives and microfinance institutions, women entrepreneurship is growing at a rapid rate in the world enhancing improvement in their living standards, health and education.

**Background Note:**

Muthoot Microfin: Muthoot Microfin Limited (MML) is the microfinance arm of Muthoot Pappachan Group (MPG). MML is one of the leading and fast-growing microfinance institutions (NBFC-MFI) in India. The company is focused on providing micro-loans to women entrepreneurs with a focus on rural regions of India. The company has adopted joint liability group model of microfinance, which caters exclusively to women in lower income households.

Microfinance Industry: The Indian microfinance sector has come a long way. As per industry data, Microfinance loan portfolio stands at INR 2,93,154 Crores as on June 30, 2022, serving 6 crore unique borrowers with 11.8 crore loan accounts. 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.