



Muthoot Microfin provides microfinance loans to marginalized groups

Karnataka, 6th January 2022: In Q2 FY 22-23, the microfinance industry Gross Loan Portfolio (GLP) crossed the benchmark of INR 3,00,974 Cr, showing an increase of 23.5 per cent YoY. The sector has brought the convenience of financial services to a larger population, whose surging aspirations add value to MFIs as well. Microfinance is effective at breaking the cycle of poverty, lowering unemployment, raising incomes, and assisting economically disadvantaged people.

An inspiring success story is of Poornima Manoj, a housewife turned micro entrepreneur from Chikkamagaluru in Karnataka. With Muthoot Microfin loans and guidance, the 36-year-old was able to overcome personal, financial, and social hurdles to become an independent, self-reliant, and an empowered member of the society.

In the past, the family of four often struggled to make the ends meet with the meagre wage that her husband was earning from carpentry. The situation forced Poornima towards exploring entrepreneurial avenues that could help generate more income for the family. She started a small hotel on a rented building near her home with the little savings of the family.

However, she lacked the required capital to put her plan in full swing and was looking for a loan. All her efforts to secure a loan failed on her inability to provide collateral securities demanded by the financiers. One day, Poornima was informed about Muthoot Microfin's collateral free loans specifically designed to cater to the needs of small business owners and budding entrepreneurs such as hers. She approached Muthoot and joined a Joint Liability Group (JLG) to avail the first loan cycle of INR 30,000. With the loan amount, she was able to renovate the hotel and introduce fast moving and fresh food items.

Poornima's hotel became a runaway success through the combined efforts of her and husband Manoj. After some months, Poornima repaid her first loan and got the next cycle loan of INR 49,000 to help her completely remodel the shop with new racks and exhibit areas apart from new products. With time, thanks to her hard work and business acumen, Poornima was able to expand her business and employed a neighbor at the shop. Her daily profit hits an average of INR 750 now and she also started selling snacks for local shops to earn more profits.

Talking about her journey, Poornima said, *"I am immensely grateful for the support that I have received from Muthoot. They have helped me transform my life completely."*

The microfinance industry is bridging the gap of the unbanked population by reaching out to marginalized rural India and empowering women to become financially independent, thus improving their livelihood. Muthoot Microfin has been working towards the financial upliftment of underprivileged women and giving them means to raise their living standards.

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: 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 55 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.