

Muthoot Microfin empowers women to become self-reliant

Residing in the small village on the outskirts of Jabalpur in Madhya Pradesh, Parvati Sahu's story portrays a clear message that success follows those who persevere.

Parvati Sahu, aged 30 years is a mother of 3 children. In order to support her family's basic needs, she along with her husband had set up a small fruits & vegetable shop at the nearby Garha market 12 years ago, but with limited resources at the shop, they struggled to generate enough income. Seeing the deteriorating financial condition of her family, Parvati thought of an alternative business. She took notice of a comparatively higher footfall in the market where products like cosmetics and bangles were sold. Hence, Parvati considered investing into a small, fancy cosmetics and bangle shop as a profitable business.

However, the capital to start a new venture remained a problem. She approached local financiers but lack of collateral security played a major hurdle in getting her loans. Luckily, she was introduced to Muthoot Microfin at the right time and was apprised of their hassle-free loan procedures.

After due thought, Parvati joined Muthoot Microfin and immediately availed her first microfinance loan of Rs. 30,000. She invested the entire amount to start her new but simple bangle shop. Muthoot Microfin not only provided her the loan amount but also gave her trainings on business acumen and financial literacy so that she could effectively utilize and grow her money.

Eventually, Parvati's hard work paid off and she started earning good income from the business. She developed her shop from humble beginnings, brought in several fast-moving items and also employed 2 women from her village, further enabling them to support their families.

When she first started her association with Muthoot Microfin, Parvati was barely able to keep up with their daily family expenses. Now she is a successful woman entrepreneur and a role model in her community. A very proud Parvati says, "My only desire was to be able to provide a good education for my children. Now my children can concentrate better on their studies, and they are all doing better at school. I am grateful to Muthoot Microfin, with whose support; I was able to provide financial stability to my family".

Muthoot Microfin Limited (MML) is a part of the Muthoot Pappachan Group (MPG). MPG is one of the leading business conglomerates, with presence in multiple verticals. Muthoot Microfin Limited is a leading microfinance institution focussed on providing micro loans to women customers predominantly in rural regions of India. The company follows joint liability group (JLG) model of microfinance. Clients are organized in groups of four to ten women from economically weaker sections of society, living in rural and semi-urban areas or urban slums. The microfinance operations of the company are designed to promote entrepreneurship among women and inclusive growth. The institution provides financial assistance through micro loans such as income generating loans to women engaged in small businesses.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. For an

industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.

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