

Muthoot Microfin: Supporting Aspiring Women Entrepreneurs

Bhopal, Madhya Pradesh: Microfinance plays an essential role in uplifting several aspiring women's lives by lending them financial support in need. The growth story of a homemaker turned micro-entrepreneur Anshika Soni, a resident of Bhopal, Madhya Pradesh is inspirational.

Until two years ago, Anshika was running a small cosmetic shop on the outskirts of the city. Her competitive priced products and client-friendly disposition brought her early success. She wanted to expand her business and relocate her shop to the central area of the city for improved growth prospects. However, lack of capital proved to be a hindrance in the path of her aspirations. She approached few local financiers, but the demand for collateral securities abstained her from getting the required money.

It is then she was introduced to Muthoot Microfin by one of her friend who was an existing member of Muthoot Microfin's Joint Lending Group. Impressed by the simple and collateral-free loan offerings, she immediately enrolled with Muthoot Microfin and applied for her first loan amount of Rs. 20,000.

She utilized the loan amount to expand the inventory in her shop. Gradually, she started making more profits and successfully repaid her first loan amount

Later, she applied for another loan amount of Rs. 30,000 to renovate her shop. Her decision of renovating the shop resulted in her favour and over time with required hard work and business acumen Anshika was able to expand her business and hired two employees at her shop.

She is now making an average monthly income of Rs. 22,000 and also working as a wholesale supplier to other smaller shops. Now, Anshika is leading a respectful and stable life in society.

Attributing her success to Muthoot Microfin Anshika Soni says, " I am grateful to Muthoot Microfin for helping me fulfil my dream, and has made a big difference in the quality of life. I am looking forward to a continued relationship with Muthoot Microfin in future."

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. As per industry data, the overall Microfinance loan portfolio stands at INR 2,31,778 crores as on September 30, 2020 serving 5.71 crore unique borrowers (of which 99% plus are women and for most of whom this would be the first credit facility

in their life) with 10.50 crore loan accounts. The microfinance industry operates across 28 states and 4 Union Territories with the network of **14,080** branches with **1,09,521** employees. 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.

For further information please connect with:

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