

ACCOLADES



CRISIL REAFFIRMS M1C1 GRADING TO MUTHOOT MICROFIN

CRISIL has reaffirmed its Comprehensive Microfinance Grading of 'M1C1' to Muthoot Microfin for the third consecutive year. 'M1C1' is the highest grading in Capacity Assessment and Code of Conduct Assessment by the agency. CRISIL's Comprehensive Microfinance Grading of M1C1 signifies the highest capacity of Muthoot Microfin to manage microfinance operations in a sustainable manner and good performance on Code of Conduct dimensions.

The Code of Conduct Assessment evaluates its adherence to various code of conduct parameters as laid down by regulatory bodies. The grading is valid for a period of one year.

The grading is assigned on an eight-point scale with respect to Microfinance Capacity Assessment Grading, 'M1' being the highest grading, and 'M8' the lowest. With respect to the five-point scale for the Code of Conduct Assessment, 'C1' signifies the grade for excellent performance on code of conduct dimensions and 'C5' signifies the weakest.

OBSERVATORY

Operational Highlights

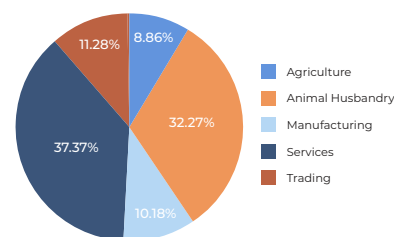
Districts	:	263
Branches	:	734
Active Clients	:	18,05,242
Disbursement (Aug)	:	₹ 85.25 Cr
Total Disbursement	:	₹ 14,545.48 Cr
Field employees	:	6,250
Total Employees	:	6,515

Client per Capita Income/Month

Percentage

< = 1000	00.21%
1000 – 1500	00.98%
1501 – 2500	14.11%
2501 – 3500	40.18%
3501 – 5000	36.68%
5000 Above	07.84%

Client Portfolio Distribution by Activity



A Muthoot Pappachan Group Company

IMPACT

DREAMS DO COME TRUE

LOAN ID- 1101390101009014



Joycee Veeramani, a 47-year-old housewife cum tailor from Nanguneri, Thirunelveli district in Tamil Nadu always dreamt of becoming an entrepreneur.

However, with access to very limited capital and only a primary school education, she did not know how she would be able to fulfil her dream, which was to open a small tailoring shop in the front room of her house.

Joycee approached many local financiers for fund but was rejected due to lack of collateral security. Luckily, one of her neighbours who was in the process to join a Muthoot Microfin JLG introduced her to the institution. She was thrilled to know about the organisation and its hassle-free financial support.

She soon joined the JLG and availed the first cycle loan of ₹10,000. Using the loan, Joycee was able to open her shop and worked hard in the following months to make it successful. She started with stitching regular clothes for local women and children and gradually expanded with various designs. Joycee's husband also supported her business by taking orders from Palayankottai and suburbs which enabled her to do business in larger volume.

After promptly closing the first cycle loan, she availed the second cycle loan of ₹50,000 and used that amount to stockpile essential raw materials in bulk to reduce cost. She is now supplying readymade dresses to small textile shops on a regular basis which brings more income. Her average weekly profit now is ₹2400 and she has employed one more woman in the unit. A delighted Joycee says "Muthoot Microfin's easy loans enabled me to start my own business and helped me to make my dream come true". Joycee is looking forward to continuing her relationship with Muthoot Microfin and to further improve the life of her family.

IMPACT

STITCHING FORTUNES

LOAN ID- 1102090101001960

Thirty-year-old tailor Selvakani who lives in Konganthanparai in Thirunelveli, Tamil Nadu had spent many years living idle at home as economic opportunities were few and far in her village.

She looked for a job as tailor in her locality but was unable to find one in the village. Then, she wished to buy a sewing machine and start her own stitching unit at home; but she could not afford one. All her efforts to raise funds also failed.

Fortune began to smile on Selvakani after her association with Muthoot Microfin three years ago. Selvakani was introduced to Muthoot by a neighbour and was impressed by the organisation's simple and collateral free loans. She soon joined a JLG and availed the first cycle loan of ₹10,000, which was utilised to buy a sewing machine and essential materials.

Her earnings were very modest in the first few months, but little by little her micro business started to grow, and she started saving money. She worked hard to repay her loans on time, so that she could acquire subsequent and larger loans to expand her unit.

Over time, Selvakani's business grew remarkably; she added new machines and launched another stitching unit nearby. Her daily profit also rose to ₹750 on an average.

She is now on her second cycle loan of ₹50,000 and utilised the entire amount for business expansion. Today, the ambitious Selvakani continues to build her enterprise and support the family. She says "I never expected to reach where I am now; the collateral free, easy loans from Muthoot Microfin helped me at a crucial juncture and I never looked back since. I am determined to continue my association with Muthoot to expand my business to new areas".



LIVE

COVID-19 CRISIS AN OPPORTUNITY FOR MFIs TO BUILD LONG-TERM RESILIENCE

Though COVID-19 presents new challenges and significant financial risks for the microfinance sector, it also presents an opportunity to build long-term resilience, says an article published in RBI's monthly bulletin.

The article said COVID-19 is expected to afflict the microfinance sector with financial risks in the near term. However, it may also incentivise digitisation, it added. Efforts to migrate loan collections to digital platforms may greatly improve operational efficiency of MFIs and help them in minimising event-based disruptions, it said.

The article further states that data analytics may be leveraged for predicting portfolio behaviour, building risk models, and designing customer centric products. At this juncture, when the risk of spread of misinformation is high, it is important that credit discipline be maintained, it added.

Increasing engagement with borrowers through virtual/telephonic means and sensitising staff on fair practices code would go a long way in restoring confidence in borrowers and rebooting the credit cycle, as per the article. "Going forward, building capital buffers and managing liquidity would be crucial for MFIs in fortifying their balance sheets against COVID-19 led disruptions," it said.

MUTHOOT PAPPACHAN GROUP IS A PURPOSE DRIVEN ORGANIZATION



**TO TRANSFORM THE LIFE OF THE COMMON MAN
BY IMPROVING THEIR FINANCIAL WELL-BEING**

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