

LIVE

Muthoot Microfin disburses first PM SVANidhi loan



Muthoot Microfin has disbursed its first loan under the Pradhan Mantri Street Vendor's Atmanirbhar Nidhi Yojana or PM SVANidhi Scheme. MML's first loan of ₹10,000 under the scheme was provided to Mr Subham (Fruit seller in Meerut, Uttar Pradesh) to help him restart his livelihood activities which was impacted by the Covid-19 pandemic.

PM SVANidhi scheme was launched on June 1, 2020, by the ministry of Housing and Urban Affairs to help street vendors, who were impacted by the Covid-19 related lockdown.

The scheme is fully funded by Ministry of Housing and Urban Affairs with the objectives of: (i) To facilitate working capital loan up to ₹10,000; (ii) To incentivize regular repayment; and (iii) To reward digital transactions.

PM SVANidhi intends to facilitate collateral-free working capital loans at a subsidized rate of interest and targets to benefit approximately 50 lakh street vendors.

OBSERVATORY

Operational Highlights

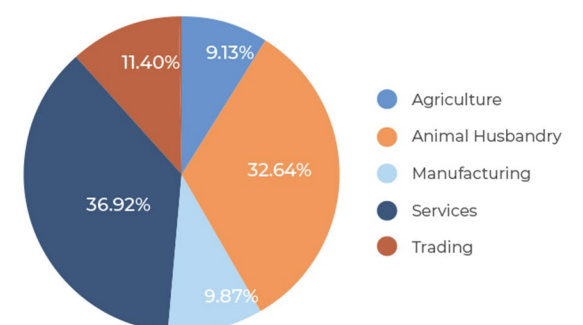
Districts	:	263
Branches	:	742
Active Clients	:	17,98,133
Disbursement (Oct)	:	₹ 274.94 Cr
Total Disbursement	:	₹ 15,078.42 Cr
Field employees	:	6,397
Total Employees	:	6,662

Client per Capita Income/Month

Percentage

< = 1000	00.20%
1000 – 1500	00.93%
1501 – 2500	13.47%
2501 – 3500	38.45%
3501 – 5000	36.85%
5000 Above	10.09%

Client Portfolio Distribution by Activity



IMPACT

RESTARTING BUSINESS & SAVING ENVIRONMENT

Kaveri Keshav Nageshwar from Nanded in Maharashtra is a traditional craft worker making artefacts and basic home utensils using bamboo. Kaveri's love for traditional handicrafts began as a teenager and many years later, her fascination transformed into an entrepreneurial venture.

Kaveri's village and nearby places are known for bamboo handicrafts and have emerged as new centres for value-added bamboo products. Over the years, she has learnt new set of skills to produce novel range of bamboo products and her returns were also good.

However, after the lockdown due to Covid-19, Kaveri's business was affected and like many others in her village, she was forced to opt for other works to overcome the crisis. To restart her business, Kaveri was looking forward to availing a loan to procure more bamboos for mass production. She approached many local financiers for a loan, but lack of collateral securities prevented all her attempts to avail finance.

Luckily for her, she was introduced to Muthoot Microfin by a friend and was thrilled to know about its simple loan procedures. She soon joined a JLG and availed the first cycle loan of ₹30,000 and used the entire amount to purchase quality bamboos from the market.

With enough bamboo in hand, she aggressively resumed her business. Gradually, started receiving good orders and her earnings picked up to around ₹7500 per month. She now plans to expand her business by making products like bamboo furniture, comforters and home décor materials that can replace plastic and can contribute to environment protection. She also started small scale tailoring at her home to further increase the revenue.

She says "With my business, I not only wish to lead a good life, but is happy to contribute to the environment. I am glad and grateful that Muthoot Microfin supported me in a critical phase of my business and life."



Loan ID-1105300101002702

PAVING OWN WAY TO SUCCESS

Bharathi Poojary started pig farming business four years ago after realising that this business has not really picked up in her village, like in the other parts of the state. She knew that with proper training, it could be very profitable, if managed well.

However, the business didn't do well in the beginning due to reasons including lack of marketing. She desperately wanted to save her enterprise and started looking for funds to revive it. She was turned down by many financiers as they were not confident on the business and even asked her to change the business for funding.

She was reluctant to change her plans and continued with it, which provided only a little profit. At that time, she was introduced to Muthoot Microfin and soon joined a JLG to acquire her first cycle loan of ₹20,000 to buy two high breed piglets. Bharathi says, "These exotic breeds grow quickly and reach up to a size of 300 kg within months, providing a good return for money in quick time."

Meantime, she acquired further training in rearing and marketing which made a big difference in her business. She keeps at least twenty high breed animals at the pen every time, selling them at relatively higher prices than the local breed. She has made business tie ups with catering units from other districts which brings good income. Her average weekly profits have hit around ₹5000 and is improving day by day.

Bharathi, whose pig farming knowledge is from practical experience right from the onset, attributes her success to Muthoot Microfin and the training she received.

She says "Muthoot Microfin gave me confidence to go ahead with the business. Pig farming has good potential as they cost only a little to feed and maintain, and produce much more meat than cattle, goats and sheep. I would like to continue my association with Muthoot Microfin and will recommend the organisation to all the people I know".

ACCOLADES

Muthoot Microfin Wins Flame Awards For Financial Inclusion Campaigns

Muthoot Microfin has won Silver Metal at the 'Flame Awards Asia 2020', recognising the organisation's Financial Inclusion campaigns in India's rural sectors. Flame Awards Asia is hosted by the Rural Marketing Association of India (RMAI).

The award honours the best and exemplary work in marketing and communication practices in rural markets of India. Flame Awards is also one of the coveted and exclusive rural marketing awards platform in the Indian subcontinent.

The jury was chaired by Mr. S Sivakumar, Group Head – Agri. & IT Businesses, ITC Limited and comprised of business leaders, brand custodians, marketers, media/advertising professionals, and domain experts in rural marketing. The entries were officially tabulated by Ernst & Young (EY).

Muthoot Microfin had won Silver Metal award for Rural Marketing Initiatives at Flame Awards Asia 2019 too.



NEWS

MFIs collection efficiency rises to 88% in September: ICRA

Overall collection efficiency of microfinance institutions gradually improved and stood at around 88% in September compared to around 2% in April, according to credit rating agency ICRA.

The improvement was driven by easing of the lockdown restrictions and resumption of economic activities, which led to gradual improvement in cash flows of several borrowers, an ICRA note stated.

As on August 31, around 12% of borrowers in the ICRA sample (21 entities with collective assets under management of around ₹54,213 crore) availed a complete moratorium during April-August.



ICRA estimates challenges for the MFI industry to continue in the near term. Nevertheless, good on-balance sheet liquidity and capitalisation should help most entities withstand the crisis though profitability indicators are expected to remain subdued over the short term.

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