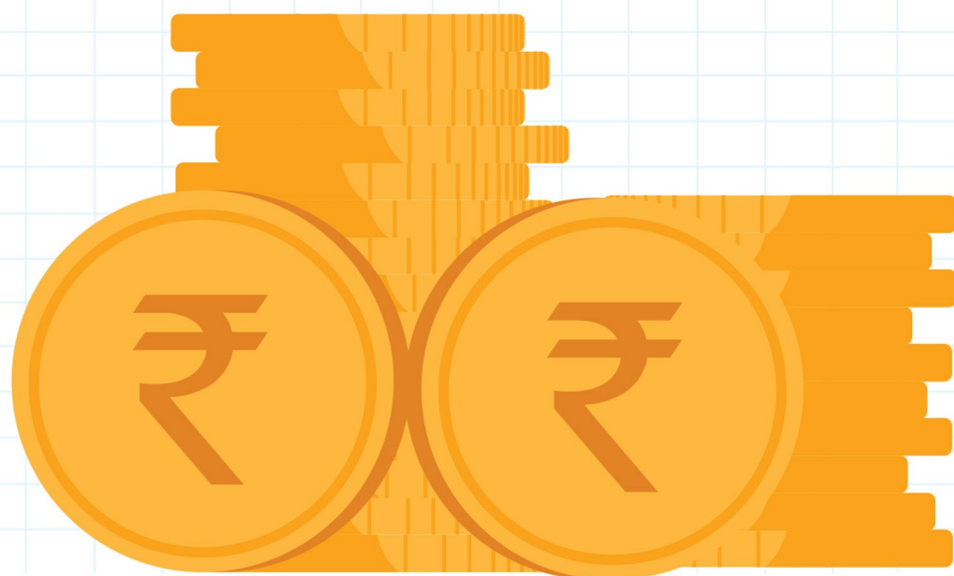


LIVE

# MUTHOOT MICROFIN RAISES ₹85 CRORES THROUGH NCD



Muthoot Microfin Limited, the microfinance arm of Muthoot Pappachan Group has raised ₹85 crores in November through the issue of non-convertible debentures (NCDs). The issue has been executed on a private placement basis with a leading national bank and an international impact investor.

The secured and redeemable debentures rated 'A stable' by CRISIL are listed in Bombay Stock Exchange. The CRISIL rating implies a high degree of safety regarding timely servicing of financial obligations and low credit risk of the instrument. The tenure of the NCD is 18 months with the bank and 42 months with the international investor. The net proceeds of the issue will be used for funding business growth.

Mr Sadaf Sayeed, CEO – Muthoot Microfin said, “The demand for funds from the rural sectors have rebounded as the country is gradually overcoming the Covid-19 crisis. We can see a large deficit of liquid funds in rural sectors following the lockdown. Our aim here is to ensure easy flow of money to the rural sector for a quick recovery of the economy.”

### OBSERVATORY

#### Operational Highlights

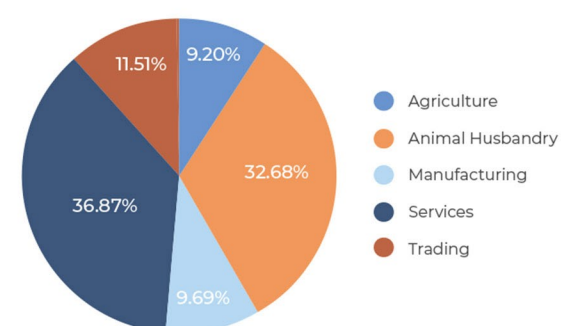
Districts	:	263
Branches	:	743
Active Clients	:	17,97,092
Disbursement (Nov)	:	₹ 328.67 Cr
Total Disbursement	:	₹ 15,407.08
Field employees	:	6,413
Total Employees	:	6,679

#### Client per Capita Income/Month

#### Percentage

< = 1000	00.20%
1000 – 1500	00.91%
1501 – 2500	13.13%
2501 – 3500	37.61%
3501 – 5000	36.85%
5000 Above	11.31%

#### Client Portfolio Distribution by Activity





## IMPACT

# THE ROAD TO SUCCESS

Thirty-five-year-old housewife turned entrepreneur Anshika Soni believes that hard work is the key to success. Until two years ago, Anshika who lives in Bhopal, Madhya Pradesh was running a cosmetic shop in the outskirts of the city.

Her shop was well known in the locality for competitive prices and better attitude towards the customers. Her client-friendly disposition resulted in early success. However, she knew that, if she didn't expand, she wouldn't achieve her dream of opening a bigger shop in the city.

She was in need for additional capital to develop her shop and approached local financiers for fund. The demand for collateral and exorbitant interest rates by the money lenders put her plans on hold. As she continued her search for funds, a friend introduced her to Muthoot Microfin.

Impressed by the organisation's simple loan procedures, she immediately availed her first loan of ₹20,000 from Muthoot Microfin and since then, she hasn't looked back. Anshika expanded her inventory by including fast moving products which increased her business remarkably.

Subsequently, Anshika repaid her first loan and availed the next cycle loan of ₹ 30,000 to completely remodel the shop with new racks and exhibit areas apart from new cosmetic and beauty products.

Over time, thanks to her hard work and business acumen Anshika was able to expand her business and employed two neighbours at the shop. Her daily profit averaged around ₹750 and she started wholesale selling to smaller local shops.

Though she always knew that she needed to rely on her own skills and hard work, she says she'll never forget the financial support she received from Muthoot Microfin on her road to success.



LOAN ID - 1003820000004215



# A CRISPY LIFE CHANGER



Shubhangi Ambrole, the 31-year-old housewife from Vadgaon in Belagavi, Karnataka is now a successful entrepreneur. In the last few years, Shubhangi has been able to expand her business of papad and crispy snack making to new heights.

However, the journey wasn't a cakewalk for Shubhangi as the family often struggled to meet their basic needs in the past. Earlier, their only source of income came from the occasional farm work her husband was able to secure.

Out of necessity, Shubhangi started 'papad making' in a small way, but after few months, she was forced to close the business due to lack of money to buy raw goods and marketing. At this juncture, she was introduced to Muthoot Microfin by a neighbour. She quickly joined a JLG being attracted by the organisation's simple and hassle-free financial services.

She availed first cycle loan of ₹20,000 and utilised the entire amount to restart her papad business. Shubhangi also completed a market research and found out new markets in her locality.

Gradually, her business picked up as she received orders from shops and wholesale dealers. Direct sales at her makeshift shop also increased significantly and she employed a neighbour to double production. Shubhangi is now on her second cycle loan of ₹60,000 and plans to open another shop.

It has now been nearly two years since Shubhangi received her first loan from Muthoot Microfin, meantime her business has grown many folds with an average earning of ₹500 a day.

Shubhangi saved enough to renovate her house so that her children have a safe place to live. She now has many more dreams to fulfil through her journey as an entrepreneur.



## NEWS

## MFIs SEEK PSL RULE CHANGE TO TAP SFB FUND

Microfinance institutions to make a formal request with the RBI for a change in the PSL rules to include small finance bank (SFB) loans to them in the priority sector lending category.

Mr. P Satish, Executive Director of Sa-Dhan said, "We already have had informal discussions with the regulator, and we would like to make a formal request seeking this change in PSL norms".

Presently, only direct lending to economically weaker sections constitute PSL loans for SFBs. Lending to financial intermediaries do not constitute PSL. Commercial banks have to lend at least 40 percent of their loan to PSL category while SFBs are required to extend 75 percent of its Adjusted Net Bank Credit (ANBC) to the

sectors eligible for classification as PSL by the Reserve Bank.

Bank lending to smaller MFIs had slowed considerably during COVID. According to the latest RBI data, bank lending to microcredit remained flat in the 12 months till October 2020, compared with a growth of 40.6 per cent in the comparable period in the previous year.

Mr Satish further said the trend in recovery in collections had continued but collections were temporarily down in the festive season. "Borrowers tend to use surplus money for consumption purpose during festivals. There was a temporary blip but the collection have picked up since then," he added.

## 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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