

### ACCOLADES

## Muthoot Microfin portfolio grows 5% in FY 2020-'21



In one of the most challenging years for business in the microfinance industry, Muthoot Microfin managed to grow its portfolio by 5.08 percent. The company's outstanding portfolio stood at ₹ 49,466.06 million as on March 31, 2021 compared to ₹ 47,072.87 million in the previous Financial Year.

Mr Sadaf Sayeed (CEO) said, "The last Financial Year was the toughest one as far as growing business is concerned. We had a modest growth in portfolio, but all other pointers had some decline mirroring the industry trend and economy. The second wave has also hit the economy and this time rural impact is higher, however, as the vaccination drive is gaining pace, we are not anticipating another harsher wave, and a quick rebound in the business is expected. The rural demand for fund is also expected to shoot up post the second wave."

In the Financial Year 2020-'21, the company opened 63 new branches making the overall tally to 755 branches as on March 31, 2021. The company also hired more than 2000 employees during the period.

### OBSERVATORY

#### Operational Highlights

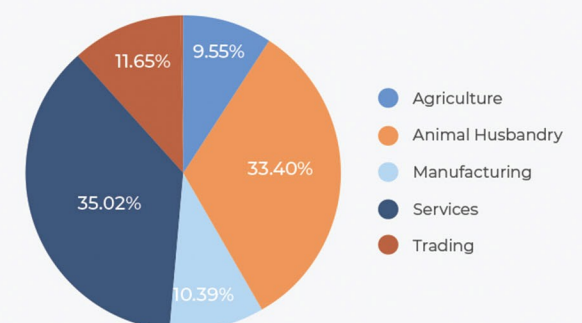
Districts	265
Branches	758
Active Clients	18,32,922
Disbursement (May)	₹ 2.92 Cr.
Total Disbursement	₹ 17,194.21 Cr.
Field employees	6,658
Total Employees	6,924

#### Client per capita Income/month

#### Percentage

< = 1000	00.16 %
1000 – 1500	00.77 %
1501 – 2500	11.35 %
2501 – 3500	32.50 %
3501 – 5000	36.28 %
5000 Above	18.94 %

#### Client Portfolio Distribution by Activity



## IMPACT

## Confidence brings success

Thirty-three-year-old Najama Rouf Noor from Ralegaon in Yavatmal district of Maharashtra toiled for three years as a small shop owner with paltry income before securing a microfinance loan from Muthoot Microfin to transform the situation altogether.

Today, Najama is a successful small entrepreneur who owns a small utensils' shop with enough income for the well-being of her family and to save for future. However, she struggled and was barely able to make ends meet when she started out three years ago on the outskirts of Ralegaon.

Najama wanted to revamp her shop with more utensils as she knew the potential of the market and she dreamt of owning a good sized, complete utensils shop. At the time, she was introduced to Muthoot Microfin by a relative. Najama was thrilled to know about institution's simple and collateral free loan procedures and immediately joined a JLG to avail the first cycle loan of ₹ 30,000 and wisely utilised the loan amount to buy fast moving products to the shop.

With more fast-moving items, Najama's business started to grow and customer base doubled within no time. Today, her business is one of the best in the area and she has hired two full-time workers at the shop. Her weekly revenue ranges between ₹ 2500 - ₹ 3000 and her business nets a decent profit every month.

Najama has set an example for other women entrepreneurs in the area who wishes to build their own enterprise. With her business success, Najama has seen a change in how she feels about herself and her standing in the community.

She says, "I had to wait three years to find the right financial support, and when Muthoot Microfin offered me the collateral free loan, I didn't hesitate even for a moment to grab the opportunity; you've got to hang in there and believe in yourself and If you do so, it will eventually work out."



LOAN ID - 1107180101000180

## Beating the Pandemic



LOAN ID - 100386000001809

Sangeeta Ahirwar, a housewife turned micro entrepreneur, runs a small tailoring unit with her husband out of her home at Bhaisa Naka Vithal Nagar Colony in Sagar, Madhya Pradesh for the last five years.

Sangeeta was introduced to Muthoot Microfin two years ago by a neighbour. She was impressed by the organisation's simple and hassle-free loan procedures and immediately joined a JLG to avail the first cycle loan of ₹ 30,000. She then utilised the entire amount to bulk purchase raw materials for the shop and also bought a modern sewing machine which can be used for embroidery works.

With the guidance and financial literacy training she received along with financial support from the organisation, Sangeeta built her business with a mix of grit and entrepreneurial spirit. It was all going well for her until the Covid-19 pandemic hit the scenario. Her area was particularly affected as most of the villagers were unaware of the danger initially and the pandemic spread quickly in her village.

In the first month of the pandemic itself, during the second wave, Sangeeta lost nearly 80 per cent of her income and could only retain one of her three employees. She was looking for ways to get things working for her unit and approached Muthoot Microfin for guidance. Muthoot Microfin encouraged Sangeeta to make face masks to compensate her business losses and she jumped into action.

Subsequently, she received orders for face masks from her customers, associations and enterprises. With these quick orders, she was soon able to call two employees back to work. She now takes orders via digital means as the demand is rising day by day in her village and surrounding places.

Sangeeta says with gratitude, "Muthoot Microfin taught me a different way of doing business and selling products during the pandemic, which worked really well for me".

## NEWS

## RBI's special liquidity facility to help MFIs mitigate Covid-related challenges

Reserve Bank of India's ₹ 16,000 crore special liquidity facility to SIDBI is expected to help Microfinance Institutions ride out the economic uncertainty amid the pandemic.

Mr Alok Misra, CEO of MFIN, the SRO of MFIs, expressed hope that small and medium MFIs will be "prominently" covered under on-lending and refinancing facilities by Sidbi as the industry is facing disruptions in collections due to the second wave of Covid-19.

Mr P Satish, Executive director, Sa-Dhan, said the RBI in April provided a special liquidity facility of ₹ 15,000 crore to SIDBI. "Providing a further special liquidity facility of

₹ 16,000 crore is more in terms of enabling SIDBI to finance more innovative types of activities. Overall, this will help the principal financial institution increase its liquidity and that way it will be helpful for the microfinance sector,"

"We were expecting that at least some announcement will be there from RBI on providing a moratorium from lenders to MFIs or some kinds of restructuring facility. Without this kind of measures it will become a major problem for MFIs to provide further loans to their clients going forward. But it has not come. So, in a way we are slightly disappointed," Satish added.

## INITIATIVES

## Muthoot Microfin holds Covid awareness drive in Tamil Nadu, Puducherry

Continuing the fight against Covid-19 to safeguard communities, Muthoot Microfin organized awareness drives in rural Tamil Nadu and Puducherry. The program spread awareness and distributed immunity booster medicines and face masks to public and civic authorities including police personnel.

Volunteers held the campaign simultaneously at five locations across Tamil Nadu and Puducherry (Perambalur-Madukkarai, Kumbakonam, Melpattampakkam, Thanjavur, and Thenkasi-Valliyur).

Around five hundred people directly benefitted from the program. Volunteers appealed the residents to stay indoors during the lockdown and help the frontline workers in fighting the virus effectively. Local media houses carried the initiative in newspapers, television and electronic media.



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