

SBI Enters into Co-Lending Partnership With Muthoot Microfin; Sanctions 500 Crores



From L to R: Udeesh Ullas (COO), Hannah Muthoot, Thomas Muthoot (MD), Govind Narayan Goyal (CGM, SBI), Sadaf Sayeed (CEO), Praveen T (CFO), Subhansu Pattnayak (CHRO)

State Bank of India has entered into a co-lending partnership with Muthoot Microfin Limited. The significant milestone was marked by the presence of MD Mr Thomas Muthoot, CEO Mr Sadaf Sayeed, and CGM (SBI) Mr Govind Narayan Goyal, along with esteemed delegates from both institutions. This partnership will enable both institutes to offer affordable credit to underserved microfinance clients across India, to the last mile. To improve financial inclusion, the partnership focuses on providing unsecured micro-loans to low-income women borrowers in rural and semi-urban areas.

Muthoot Microfin and SBI jointly disburse loans to make loans more affordable through competitive interest rates. In this arrangement, SBI will take on a part of the funding while Muthoot Microfin will manage the client relationships, loan origination, and loan servicing. A reduction in interest rates by 400bps is significant, especially in the microfinance sector, where higher interest rates often prevail due to the risk involved in lending to underserved populations. Many women lack a credit history, which makes it difficult for them to access traditional loans. Co-lending partnerships allow financial institutions to support women in building their credit histories, making them more eligible for future loans and financial products.

The co-lending model leverages the strengths of both institutions—SBI's deep financial network and Muthoot Microfin's expertise in microfinance lending. ₹500 crores have been sanctioned on account of the co-lending partnership. Muthoot Microfin is the first microfinance institute to collaborate with SBI in CLM 1.

Threads of Hope

LOAN ID: 1103890101151172



Dipti Devi, a 30-year-old resident of Mohali village in Mathura, Uttar Pradesh, runs a tailoring unit in her village with the support of her husband Mukesh Kumar. They have been exhausting their resources for five years to bring the business up to profit.

Dipti dreamed about expanding their business further to meet the financial requirements of the family of four. However, the inability to raise funds without collateral and lack of access to other formal financial services added a barrier to obtaining social mobility. That's when Dipti turned to Muthoot Microfin Limited's Income Generating Loan (IGL) in 2023.

After experimenting with the business possibilities for a year, Dipti decided to give a makeover for her micro-enterprise. Dipti's request for a second IGL was approved in October 2024 and she availed of ₹65,000. Having completed the financial and skill training, Dipti practised stringent financial discipline and utilised the funds to expand the infrastructure and upgrade the machines of her unit.

Soon Dipti's tailoring unit met the requirements of her customer base and was appreciated for the approach. Her business grew in pace. From earning less than ₹10,000 a month, to earning ₹15,000 a month on average; her business reflected growth. With the steady flow of income, she created more job opportunities in the community, hiring two more women to work at the unit. By making financial services accessible to women from weaker socio-economic backgrounds, Muthoot Microfin addresses the concerns around life-betterment opportunities in the community. The advanced system to track and provide services to the last mile makes the institute remarkable.



Prospering on Trust

LOAN ID: 1100880101159609

Menaka Kannadasan, age 52 from Mayiladuthurai, Tamil Nadu, has been running a successful grocery store for the past five years. Her journey to financial prosperity began with a modest shop and a small loan from Muthoot Microfin.

Before availing the loan, Menaka's monthly income was a middling ₹7,000 a month. Recognising the potential of her business, she sought financial assistance from Muthoot Microfin. The loan provided the much-needed capital to transform her petty shop into a full-fledged grocery store. The strategic utilisation of the loan funds proved to be a game-changer. By investing in a diverse range of grocery products, Menaka was able to significantly expand her customer base and boost sales. After three successful loan cycles, now with a fourth of the amount ₹75000, she could improve the monthly income to ₹19,000.

This newfound financial stability has positively impacted Menaka's family. Her children have benefited immensely, with her son even starting his own mobile shop business. The increased income has enabled her family to improve their standard of living and secure a brighter future.

Menaka's experience highlights the positive impact of microfinance on small businesses. Muthoot Microfinance's prompt financial assistance and flexible repayment terms have enabled her to manage her finances effectively. The timely disbursement of loans has helped her seize opportunities and grow her business steadily. By providing access to credit to the underserved, Muthoot Microfinance has empowered countless individuals like Menaka to achieve financial independence and improve their livelihoods.

Muthoot Microfin wins the National Achiever Award at NARF 2024

Muthoot Microfin Limited was awarded the prestigious National Achiever Award at the National Achievers Recognition Forum organised in New Delhi on October 8, 2024. The forum discussed the Indian Economic Agenda and the need for more opportunities that incentivise communities to escape poverty. Muthoot Microfin's focus on improving the scalability of financial inclusion and norm-aware intervention to widen the gender thrust greatly impacts the communities it serves.



CEO Sadaf Sayeed Shares Strategies for Resilience, Innovation, and Growth at UPMA 2024



The 7th Annual UPMA Microfinance Conference “Reimagine Resilience: Building Adaptive and Sustainable Microfinance Model for the Future” held on 18th November at Taj Hotel, Lucknow had distinguished delegates, Mr Asim Arun, Hon’ble State Minister (Govt. of Uttar Pradesh), Mr Denesh Khara (EX- Chairman SBI), and Mr Sadaf Sayeed (CEO- Muthoot Microfin) engaging on a panel discussion on future of microfinance in India. The emergence of fintech and digital financial services presents a chance for microfinance to effectively expand, providing quick, accessible, and reasonably priced solutions to remote regions.

Muthoot Microfin Extends Helping Hand to Flood-Affected Families in Jamnagar

Muthoot Microfin has taken a significant step towards community relief by organising a flood relief activity at its Jamnagar branch. The initiative aimed to provide immediate support to families affected by the recent heavy rains in the region. Approximately 200 people benefited from the distribution of essential grocery kits.



The relief effort focused on severely affected areas such as Mota Ashapura, Kalavad Naka, Dared Village, Navagam Ghed, Rameshwar Nagar, and Gulab Nagar. The dedicated staff of the Jamnagar branch coordinated the event.



Get In Touch



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