Lending through ‘Muttathe Mulla’ crossed Rs 229 crores

The details about the ‘Muttathe Mulla’ programme, which is being implemented by Kudumbashree in association with cooperative banks was explained in ‘Making An Impact - 48’. This program, as elaborated earlier, aims at reducing debt trap of poor people by avoiding the exploitation of private money lenders. This program, implemented as a pilot project in Palakkad district of Kerala has now been extended to all the districts across the state. Through ‘Muttathe Mulla’, our NHG’s were able to make provide a loan of Rs 229 crores till date. This data itself is the testimonial for the acceptance and success of this programme.
As per ‘Muttathe Mulla’ programme, co-operative banks would give amounts up to Rs 10 lakhs to Kudumbashree NHGs as Over Draft. Using this amount, the NHG would be able to reach out to the needed people who require money. When the NHG give loans to people at 12% interest rate, the NHG members would get 3% of the amount as service charge. Through this mechanism, regular repayment of the loan is ensured. Also, as explained above loans are provided at doorsteps to the needy at affordable interest rates.

In Palakkad district, 1259 NHGs had availed overdraft as per this scheme from Co-operative Banks. Total amount of overdraft is Rs. 144 crores. With this amount NHG members were able to provide loans to 54,244 needy people. We are happy that within one year since it’s commencement, Muttathe Mulla could achieve higher scales and volume in Palakkad District. Now this programme has been extended to all CDSs (Community Development Society of Kudumbashree) in Palakkad. 85 Co-operative Banks had given loans to 1259 NHGs in 96 CDSs so far in Palakkad.

Along with the development in Palakkad district, Muttathe Mulla is being extended to other districts as well. As of now, 3028 NHGs in 323 CDSs have taken Over Drafts from Co-operative Banks (in all districts put together). Rs 242 crores is the total overdraft amount availed by all NHGs. Using this amount, the NHGs were able to give bank loan of Rs 229.36 crores to 82,326 people. Its notable that 421 Co-operative Banks came forward to provide Over Draft to the NHGs and become part of Muttathe Mulla programme. I wish that Muttathe Mulla which was framed to save the common people from the exploitation of the private money lenders, would reach out to more NHGs. Also, hoping that it will help people to avail loans at the needed time and thereby attain more development.