‘Muttathe Mulla’
(Jasmine in the courtyard)

‘Muttathe Mulla’ is a new programme being implemented by Kudumbashree in association with the Co-operative Department. It aims at putting an end to the exploitation of private money lenders who exploit poor people with huge rate of interest leading them to debt trap. The programme was initially started under the leadership of Mannarkkad Co-operative Bank of Palakkad district in 2018 and then it was extended all over the Palakkad district. Now Muttathe Mulla’ is scales up to the entire state.

The private money lenders reach directly to individual households and lend money to the needy. As this service of reaching to the doorsteps helped people save their time from visiting banks resulting in borrowing of money from them without bothering about the huge interest rate. It s know that the interest rate is even upto 24%. This lead to
debt trap in some of the cases, resulting in huge financial crisis for the family. 'Muttathe Mulla' was introduced to solve this issue and make avail bank loans for the needy at nominal interest rates, at the doorsteps.

As per this scheme, Co-operative banks give loans upto Rs 10 lakhs to Kudumbashree Neighbourhood groups (self help groups). They provide money to the needy (from this 10 lakh) at 12% interest and when the amount is repaid on time, 3% amount is given to the NHGs as an earnings for this financial service and entrepreneurship.

When the programme was piloted, good responses were received from the NHG members. 901 NHGs from Palakkad district has availed upto Rs 10 lakh each from various Co-operative Banks as over draft. Yes! within a short time, Rs 78.89 crores was disbursed to the NHGs through banks. Using this money, NHGs have given loans of Rs 81.2 crores to the needy people.

Now when we are scaling up this novel scheme to the entire state, we are expecting a social change of reduction in exploitation by private money lenders. Further by making the finances available for various urgent needs and for the livelihood initiatives of common people, it is hoped that we will be able to make a surge in local economic empowerment through our ‘Muttathe Mulla’