



ACCOLADES


FERVOUR MARKS MUTHOOT TOWERS' ONAM CELEBRATIONS

Hundreds of MPG employees at Muthoot Towers, Kochi celebrated Onam enjoying a day of games, music, food and fun at the Imperial Insignia Hall, M.G Road, Ernakulam on August 26. Mr. Thomas Muthoot, Executive Director – Muthoot Fincorp and Mrs. Remy Thomas, CEO - Muthoot Automotive participated in the celebrations held at the main hall of the hotel. Renowned Film Director Mr. Mohan, Former India Cricketer Mr. S. Sreesanth and famous Make-up Artist Mr. Pattanam Rasheed were the Guest of Honours for this year's celebrations.

All the participants were treated to variety of events during the day, starting with ethnic Kerala art form Thiruvathirakali. Skits, Group songs, Solo

songs and Group dances were some of the items staged. Group and solo songs were held on a competitive basis and employees of Muthoot Pappachan Group showcased their unique talents in all the events.

All were treated with a delicious grand 'Onam Sadya' in the afternoon. However, the major attraction of the day was the Tug of War competition. Microfinance division retained their title in a keen contest witnessed by a cheering crowd. Prizes were distributed to winners at the end of the day. Onam celebrations every year are organized to encourage and thank staff for all they do to support the organization.

INSIDE

- M Accolades
- M Observatory
- M Impact
- M News
- M Initiatives


OBSERVATORY
Per Capita Income per Month

Per Capita Income	Percentage
≤ 1000	00.90%
1000 – 1500	13.62%
1501 – 2500	53.06%
2501 – 3500	26.08%
3501 – 5000	06.19%
5000 Above	00.15%

FACTS AND FIGURES

Group Lending	
Districts	96
Branches	307
Centres	1,14,227
Active Members	11,08,711
Disbursement (August)	₹ 143.12 Cr
Total Disbursement	₹ 4737.23Cr \$ 718.74 mn
Repayment Rate	99.70 %
PAR → 30 Days	0.30 %

MSGB Loans

Current Portfolio	₹ 184.21 Cr
Total Disbursement	₹ 236.03 Cr

PERSONNEL STRENGTH

Field Staff	3439
Total Staff	3534



CULTIVATING SUCCESS

Loan ID: MANN# 2557

Subaida Mohammed Ali, aged 41 years is a resident of Thenkara, located in the north-east hilly tracts of Mannarkkad in Palakkad District of Kerala. Her family consisting of 7 members were dependent on her husband's paltry income from daily labour. The pathetic situation forced Subaida to work hard on banana cultivation. Now, Subaida has set herself as a role model for the cash-strapped farmers in the region thanks to her association with Muthoot Microfinance that helped her to optimum resource utilisation.

However, the situation didn't change all of a sudden for Subaida. Hardly a year ago, she struggled to meet two ends on a daily basis. All her attempts to cultivate banana in the backyard of her house failed mainly due to lack of capital to buy high quality breed and also due to lack of adopting integrative farm techniques and optimum resource utilisation.

Subaida tried her luck at various small businesses but none of them gave her any results. Lacks of capital to start even a small venture turned out to be an obstacle in front her. She wasn't aware of micro financing and its operation style. She was amused and thrilled when an RO from

Muthoot Microfinance's Mannarkkad branch visited her house as part of street survey and explained its operations. She soon availed first cycle of loan from the institution. The service of Muthoot Microfinance personnel didn't end after providing loan. Realizing the fact that her main source of income from land is only banana, Institution's personnel advised her to diversify the cropping pattern by including new breeds and also to adopt integrative farm techniques.

After the first crop cycle, the new cropping system provided her reasonable profit for the first time and her income soared to ₹500 a day from a paltry ₹75 a day. Muthoot Microfinance continued to help her to go for integrating high yielding varieties of banana along with other side crops.

The hardworking housewife earned success through banana cultivation from a region where farmers are faced with prospects of poor yield and low income. Subaida appreciates Muthoot not only for the financial aid but feels that the complete switch over to new farming techniques with the help of the institution is the key to her success.

- Total profit (EBIT) for FY 2015-16 as of July 31, 2015 is at ₹ 113.59crore.
- Total profit (EBIT) for the previous fiscal same period was ₹ 63.85 crore.
- The profit increased 78% in July, 2015 year on year.
- Operational Income for FY 2015-16 as of July 31 is at ₹ 136.35crore.

- Opened new branch in Perambakkam (Tamil Nadu).
- Vadakara (Kerala) Pondy-2, Pondy-3 branches crossed 15000 clients in August.
- MSGB Loans added 3453 clients in August.
- MSGB Loans disbursed over ₹ 17.16 crore in August.
- IGL-Dairy added 1805 dairy farmers in August, disbursing ₹ 4.6 crore.
- Dairy Loan Outstanding as on 31st August is ₹ 98.85 crore from 60810 Dairy Farmers.
- Training team conducted 145 internal training programmes in August.
- A total of 1288 employees were benefitted through the internal training programmes.



WINNING SLOWLY BUT STEADILY

Loan ID: TRVA#3/c1

Shyla Pramod of Akkaparambu, Thiruvillamala in Thrissur District of Kerala is a hardworking housewife. However, she was forced to live in half poverty as her husband's income from daily labour was very low. Her husband Pramod remained jobless for half of the month to worsen the situation of their family. Even to meet day to day expenses became extremely difficult for the 36 year old Shyla and her family that includes two school going children.

The situation prompted Shyla to do something for the family. Shyla always wanted to earn whatever little coming her way for the family and with the help of her husband and sister opened a small tea shop in front of her house. The business however failed to take off as Shyla cannot introduce more food items to her shop, especially mid-day meals. Her customers were demanding more food items as hers is the only nearby shop in the locality. Shyla understood the situation and wanted to expand her small shop. She needed at least ₹25,000 for even a small expansion and approached many financial institutions vainly.

The disappointed Shyla couldn't do anything to improve the situation and continued with her small tea shop for some time; however her business began to lose its charm as number of her

customers dropped sharply. Shyla became desperate and wanted to do something to improve the situation. She approached private loan sharks and almost jumped into their clutches. However, good fortune struck for Shyla at that moment as she was introduced to Muthoot Microfinance by a friend and was thrilled to learn about its simple but effective loan system that suited people like her very well. She availed first cycle of loan from the institution quickly and used to add up more food items including meals. After a month or so she was able to win back her lost customers.

Now, in addition to coffee and tea, shyla's 'Amma Hotel' serves meals and other snacks to customers and hopes to improve business further by adding more food items in the menu. Her income rose to ₹500 a day from a paltry 150 a day and she earns over ₹9000/- per month after expenses and this has vastly improved her family's living conditions. Shyla thanked Muthoot Microfinance for the timely support and wants to continue her association with the institution. Now, Shyla Pramod who was at one time struggling to make ends meet has developed into a self-confident and enterprising person, setting an example for other underprivileged women in her locality.

SKILL TRAINING ON COIR PRODUCTS



A Skill Training Workshop on Coir product manufacturing, marketing awareness and trading for women entrepreneurs was organized by Muthoot Microfinance's Kayamkulam 3 Branch on August 8 2015 at Azheekal near Kayamkulam in Kerala.

The program, held at Araya karayogam hall at Azheekal was headed by Kerala Coir Board Extension Service Officer Mr Henry Thomas and Jr. Inspector Mr Sabu. All the 72 women entrepreneurs who participated in the program were given detailed training on the subject to enable them diversify their earnings prospects in systematic ways with various coir products.

Mrs Baby, Vice President, Alappad Grama Panchayath inaugurated the training session.

MUTHOOT MICROFIN TO RAISE ₹ 100CR. THROUGH PE

Muthoot Microfin, the microfinance company of the Muthoot Pappachan Group is planning to raise private equity (PE) investment to the tune of ₹100 crore this fiscal. Promoters will shortly be investing ₹50 crore in addition to the ₹50 crore they had invested earlier, taking the capital base to ₹100 crore before December-end.

Mr. Sadaf Sayeed, Chief Executive Officer - Muthoot Microfin, said that the company hopes to build an income generating portfolio of ₹1,250 crore this year, for which it would require an equity base of ₹200 crore.

This portfolio was at ₹950 crore at the end of the previous fiscal. Apart from

this, the microfinance business also has other loans, including dairy loans, securitised loans, and business correspondent loans, all of which together make up a portfolio of ₹1,750 crore.

The portfolio has been practically doubling every year. Profit before tax (PBT) also followed a similar trajectory and moved to ₹123.64 crore in the last fiscal. Leveraging on the fresh equity, the microfinance company is planning to raise ₹1,000-1,200 crore of bank debt.

"We have already received in-principle sanction worth ₹295 crore from multiple banks. Just this month, we have concluded four debt transactions for

MML with major banks like SBI, SIB and NBFCs - IFMR and Reliance, cumulatively for ₹149 crore," Mr Sadaf said.

Till last fiscal, most of the microfinance business was housed under its parent, Muthoot Fincorp, which is primarily a gold loan NBFC. After receiving NBFC-MFI license for Muthoot Microfin (a 98 per cent subsidiary of MFL,) earlier this year, the microfinance business is being built under the new entity, Mr. Sadaf said.

"We operate with a hub-and-spoke model through close to 1,600 of our parent's branches. The company serves 1.1 million customers and expects to touch 1.5 million by end of the fiscal. The portfolio is good and the default rate is at just about 0.27 per cent," he added.

MUTHOOT MICROFINANCE ONAM FAIR 2015

As part of Onam celebrations, Muthoot Microfinance organized two Onam Fairs at Kochi and Kottarakkara in order to facilitate market linkage for the institution's clients. The fairs attracted thousands of people.

The two day Onam Fair at Kottarakkara named 'Muthoot Mahila Mithra Onam Fair 2015' was held at Marthoma Girls High School near KSRTC bus stand on 24th and 25 August. Kottarakkara MLA Mrs Aisha Potty inaugurated the fair at a grand opening ceremony involving huge crowd. Jacob Vadakkedathu (President, Kottarakkara GramaPanchayath) and Lovely Alexander (Member, GramaPanchayath) also attended the opening ceremony and addressed the gathering.

Muthoot Microfinance clients from the region exhibited and sold their products at the Onam Fair. Total sales from the two day event were a whopping ₹1,65,000.

Onam Fair at Kochi was organised along with Onam Celebrations 2015 at Imperial Insignia, M.G. Road on 26th of August. Products worth ₹20,000 were sold quickly from the fair. Exhibition cum Sales was also conducted at the Head Office prior to the big fair. Exquisite range of handy crafts and handloom products were the major attractions of the event. Fairs are mainly conducted with an aim to help clients discover new markets and learn the dynamics of trade as a part of empowering them to self-dependant women entrepreneurs.

