

MUTHOOT MICROFINANCE MONTHLY NEWSLETTER

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Accolades

MUTHOOT MICROFIN RAISES ₹130 Cr AS PRIVATE EQUITY



Muthoot Microfin, the microfinance arm of Muthoot Pappachan Group has raised up to ₹130 crores in private equity from the US based fund Creation Investments Capital Management.

Mr Thomas Muthoot, ED – Muthoot Pappachan Group stated, the execution of the PE deal is a testimony to our shared vision of commitment to society and transparency in our business model.

Mr Sadaf Sayeed, CEO – Muthoot Microfin said, "we plan to use the proceeds to further expand its operations and to invest in manpower and technology which would in turn bring down operational cost and help reduce lending rate. We will open 500 more branches in the next three years and expand business in northern states."

Muthoot Microfin aims to grow its gross loan portfolio to about ₹ 2,000 crore by March 2017 from ₹ 653 crore in March '16. With an active client base of about 7 lakh customers, Muthoot Microfin is one of the fastest growing MFIs in India.

Creation Investments is focused on international poverty eradication through direct investment in sustainable social ventures. The investors had performed thorough due-diligence on all parameters to ensure a shared vision, operational rigor, and commitment to excellence of the company.



Client Per Capita Income/Month

Per Capita Income	Percentage
<=1000	00.37%
1000-1500	08.27%
1501-2500	48.47%
2501-3500	32.32%
3501-5000	10.22%
5000 Above	00.35%

Facts and Figures

Group Lending	
Districts	124
Branches	376
Centres	1,71,950
Active Members	12,28,578
Disbursement (December)	₹ 111.54 Cr
Total Disbursement	₹ 7558.03 Cr
	\$ 1112.37 mn

MSGB Loans

Current Portfolio	₹ 162.36 Cr
Total Disbursement	₹ 453.01 Cr



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- Total profit (EBIT) for FY 2016-17 as of November 30, 2016 is at ₹217.62 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹226.80 crore.
- Operational Income for FY 2016-17 as of November 30 is at ₹301.82 crore.

News-Highlights

- Entered Haryana by opening branches in Namaul and Ambala Cantonment.
- Opened 10 new branches across Haryana, Kerala, MP, UP, Odisha and Tamil Nadu in December.
- MSGB Loans added 2045 customers in December.
- MSGB Loans disbursed over ₹9.28 crores in December.
- IGL-Dairy added 196 dairy farmers in December, disbursing ₹60.95 lacs.
- Dairy Loan outstanding as on 31st December is ₹67.98 crores from 53,289 Dairy Farmers.
- Training team conducted 190 internal training programmes in December.
- A total of 1296 employees benefitted through the internal training programmes.



BAKED ACCOMPLISHMENT



Loan ID: VAIK#15/4C

Thirty-Eight-year-old Sandhya Ponnappan from Vaikom in Kottayam district of Kerala became a successful entrepreneur with her sheer hard work and determination. However, her transformation from a small, not so successful petty shop owner to a successful bakery owner wasn't a cake walk. Hardly 3 years ago, Sandhya's family with two teenage children had to struggle every day to make a decent living. A couple of years back, encouraged by one of her friends, Sandhya opened a petty shop near her home after borrowing money from a local money lender. Having no background in sales, her business faced several obstacles and it never rose beyond a point to make any extra earnings for her family.

During this time, a neighbor introduced Sandhya to Muthoot Microfin. She was impressed by the institutions working pattern and witnessed a group meeting in the neighborhood. Sandhya soon availed a first cycle loan of ₹10,000 from Muthoot and decided to switch her shop more like a bakery, as she could be more competent here. She utilized the entire money to buy bakery and confectionary items. Her business grew gradually and with her second cycle loan of ₹20,000, she widened the range of products.

She is now on her 4th loan cycle of ₹35,000 and plans to purchase more confectionaries to enhance the flavor of her bakery. She also intends to produce bakery items of her own that will allow her serve better quality products and to increase profit.

Sandhya's association with Muthoot Microfin was an important step towards the sustainable growth of her business and paved the way for a successful family life where she can provide decent education to her two teenage children. Today, with a successful business, she doesn't have to worry about earning enough and is able to employ some of her neighbors. Her next dream is to renovate her house using the profits from her business.

Sandhya together with her family is grateful to Muthoot Microfin for the timely support and guidance. While her business continues to grow, she plans to achieve greater success and continue her association with Muthoot.



FARMING TO CHARMING



Loan ID: MI KR@415/MN

Santhy Madhu from Chelakkara in Thrissur district of Kerala is now a successful vegetable farm owner. She started as a small-time kitchen farm grower taking her handful of vegetables for sale at the market of nearby town. However, her business remained the same for years because of limited crops and production.

Three years ago, Santhi managed to raise some money to grow vegetables in a farm leased from a local property owner. However, the amount wasn't enough for bringing the entire infrastructure required for big scale vegetable farming.She got a lucky break at that time when she was introduced to Muthoot Microfin by a friend. She was impressed by the loan procedures and soon joined a group. Her first cycle loan of ₹10,000 was entirely used to buy seeds of hybrid varieties of vegetables. Within months after the introduction of hybrid seeds the production increased three to five folds. She is now on her third cycle loan of ₹35,000 with the institution and spent every penny of that on her farm growing it to a medium scale vegetable farming enterprise.

Apart from financial support, Santhi was provided with guidance and motivation by the institution, she also acquired need based knowledge & skill, including enrichment of fertilizer and pest management.

Santhi is a hard-working farmer and a quick learner; she learned advanced technologies in farming and adopted it. She is actively involved in all day to day working of the farm and marketing. She has become an expert in farming that she can now identify important insect pest of her farm and their management practices. Over time, she began to receive enquiries from neighbouring vegetable vendors and demand for her vegetables surged. She also made arrangements with VFPCK, a government organisation to sell her products which provides good profits for the family.

She is grateful to Muthoot Microfin for the timely financial support and guidance. However, the key to her success seems to be her eagerness to learn about the trade, hard work & positive attitude. She is a role model farmer in her village, motivating other women to follow their passion.



EMBROIDERY SKILL WORKSHOP HELD AT **NILESHWARAM**

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Muthoot Microfin's Nileshwaram branch in Kerala organised a one day skill training workshop on embroidery and saree designing for women on 17th Dec, 2016. 40 women from in and around Nileshwaram participated in the program held at Vyapara Bhavan, Nileshwaram.

Resource Person Ms. Binu Antony trained the participants in making different design patterns on sarees and taught how to make best use of waste materials in embroidery designing. She said skill training workshops like this are very important towards helping rural women attain specific skills to make them capable of earning some extra income for themselves and their family.

Muthoot Microfin organises similar skill training programmes as a part of its Community Engagement activities aimed at improving lives of its clients by empowering them.

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News

DIGITAL FINANCIAL LITERACY SESSIONS HELD AT CUTTACK & YAVATMAL



To spread awareness on banking services and digital transactions, Muthoot Microfin's Yavatmal and Cuttack branches organised two separate financial literacy trainings for rural communities.

Both the programs organised on the backdrop of current scenario were attended by hundreds of people from the locality. More than 120 customers participated in the Cuttack program held in the branch premises on Dec 17, 2016; while more than 100 people attended the Yavatmal program held at Navjivan Mangal Karyalay on Dec 19, 2016.

Speakers at both the venues highlighted

various measures to deal with the present cash crunch scenario; explained about different mode of cashless transactions and also answered gueries raised by the participants. The participants showed their enthusiasm and asked several questions to the speakers. The programmes helped the participants to understand various processes, products, and documentations of banking in general. Mr. Kunal Kamble from UCO bank, led the sessions in Yavatmal. He explained to participants the importance of cashless transactions in the present situation. In Cuttack, Muthoot employees led sessions on various aspects of banking and demonstrated some of the processes to participants.

We are glad to issue the Anniversary edition of MPOWER. This monthly newsletter catering has been information in a nutshell to the company's management, stake holders, employees and investors for the last 4 years without a break. The newsletter, aimed to drive its readers through key business figures, industry updates and customer oriented information, has also helped us reinvent the potential within us.

We will continue to share insights into our business, by providing key updates, original reporting on the success of our clients and other community engagement activities undertaken by the institution in better ways through this medium.

Mpower stands for the organisation's transparency and commitment to society, through this we intent to showcase the impact this institution has been creating in the community.

Thank you for everyone's support and we wish all our readers a happy and prosperous New Year.

Corporate Communications



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