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ACCOLADES

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# Ladies only!

An exclusive two wheeler loan for women.

Visit Muthoot Fincorp branch

7.19% Interest rate

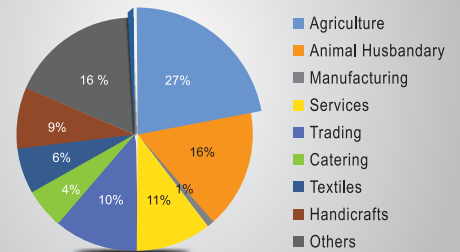
30 Minutes for loan approval



Jab zindagi badalni ho

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## Portfolio Distribution by Activity



## FACTS AND FIGURES

Group Lending	
Districts	96
Branches	306
Centres	1,13,745
Active Members	10,89,913
Disbursement (July)	₹99.50 Cr
Total Disbursement	₹4594.11 Cr \$ 704.89 mn
Repayment Rate	99.72 %
PAR → 30 Days	0.28 %

MSGB Loans	
Current Portfolio	₹175.79 Cr
Total Disbursement	₹218.88 Cr

PERSONNEL STRENGTH	
Field Staff	3411
Total Staff	3507

## MUTHOOT CAPITAL RIDES HIGH ON 'LADIES ONLY' SCHEME

Muthoot Capital Services Ltd (MCSL), the Auto Finance arm of Muthoot Pappachan Group has launched a special two-wheeler finance scheme for women. The 'Ladies Only' scheme offers loan at 7.19% interest for two wheelers owned by women.

The women customer base of Muthoot Capital, which was at 13% last year, has now grown to 22%. "With this growth rate, we hope that the women customer portfolio would be at least 35 % by March 2016," said Mr. Thomas George Muthoot, Managing Director, MCSL.

"The overwhelming response to the scheme motivated us to scale up its reach to more states, and the company has registered a total

23,500 disbursements valued at ₹110 crore since its launch in October 2014. The company plans a total of 75,000 disbursements under the 'Ladies Only' scheme," he added.

Mr. Muthoot said that the company has also shifted gears to tackle the changes in the two-wheeler industry in line with the changing market scenario. Scooters are gaining ground in the two-wheeler industry, moving up from 23% to 30% of the market.

"Convenience of automatic transmission, unisex appeal, increasing demand for mobility from women and increasing number of women in the workforce are the major factors for launching the Ladies Only scheme," Mr. Muthoot added.





## OLD GLORY DAYS COME ALIVE

Loan ID: PTNG#11/4C

Kallanchira in Peruvemba is a weaving village in Palakkad district of Kerala. Its once thrived handloom industry was a major source of revenue for many people in the area. However, the industry is facing a downturn these days as low wage coupled with other issues forcing traditional handloom workers to shift to other professions.

41 year old Ambika Chitravani, a traditional weaver from the locality was also forced to try other options as her family, consisting of her husband and three children, struggled to make both ends meet with the paltry income from weaving.

Hardly a year ago, Ambika and her husband Chitravani's hard work never earned them enough money to even survive. "For weaving a sari, it needs the labour of two of us for two days and all we got then was just ₹ 450 for one sari; ₹ 225 each for two days work. How can a family survive with that amount" she said. However they didn't leave their traditional job. They were among the very few working in the sector during those turbulent periods as most of the people left the profession and switched to other jobs. Ambika knew she can earn extra income from the sector only if she managed to get more raw materials to weave other dress materials apart from sarees. The raw materials are available at the nearby

cooperative society but the lack of capital to buy from them remained an obstacle for her. She had earlier availed a loan from a local firm but that wasn't enough for a start. She then approached many banks and other financial institutions for the capital but all of them denied her citing lack of collateral.

She wasn't aware of Muthoot Microfinance and its style of operations and was wondered when an RO from the Palakkad branch approached her and explained the institutions working pattern. In quick time, Ambika became a Muthoot Microfinance client and was offered a first cycle of loan. She bought enough raw materials from the Society and worked hard for the next couple of months which yielded good results. Her family's income increased gradually thereafter from a meagre ₹ 150 a day to ₹ 500 a day. Ambika availed her second cycle of loan from the Institution and the family's income climbed to such an extent now that they can save an amount each month for their children's future.

She is thankful to Muthoot Microfinance for transforming her family's life and wants to continue her association with the institution. Her success story prompted many from her village to join hands with Muthoot Microfinance and the entire village now hopes to bring back those old glory days with the help of the institution.

- Total profit (EBIT) for FY 2015-16 as of June 30, 2015 is at ₹ 81.72crore.
- Total profit (EBIT) for the previous fiscal same period was ₹ 46.71 crore.
- The profit increased 75% in June, 2015 year on year.
- Operational Income for FY 2015-16 as of June 30 is at ₹ 99.32crore.

- Opened branches in Sagar (MP) and Bulandshahr (UP).
- Thirukannur (TN) branch crossed 15,000 clients in July.
- MSGB Loans added 3,106 clients in July.
- MSGB Loans disbursed over ₹ 15.45 crore in July.
- IGL-Dairy added 1886 dairy farmers in July, disbursing ₹ 4.79 crore.
- Dairy Loan Outstanding as on 31st July is ₹ 100.54 crore from 60,255 Dairy Farmers.
- Training team conducted 40 internal training programmes in July.
- A total of 491 employees were benefitted through the internal training programmes.



## IMPACT



## TAILOR MADE SUCCESS STORY

Loan ID: HNBR#93/SC

"Availing a bank loan to start a small tailoring unit in my village was my prime task at the beginning of this year but I soon realized that it was an impossible mission for a poor village woman like me as we have nothing in hand to provide them as collateral", said 35 year old Sharada, housewife turned small entrepreneur from Hunsur Taluk in Mysore, Karnataka.

"I felt very bad that my skill in tailoring cannot be utilized in a proper manner so that my family can have a decent living", added Sharada, now a successful tailoring unit owner, with a smile on her face.

Sharada's attempts to open a small tailoring unit began early this year as her husband's income from carpentry began to shrink as he finds it difficult to earn new jobs. She approached many banks in her locality for a small amount to buy machineries to start a small tailoring unit but all the banks denied her on account of lack of collateral security.

Sharada however tried various other options but even local loan sharks demanded high security which she couldn't afford at that time. She was unaware of micro financing when an RO from a nearby Muthoot Microfinance branch approached her and explained

about company's operations. She couldn't believe her luck as she was praying for such an opportunity and soon became a client of the company. She was immediately given the first cycle of loan to buy a sewing machine and soon after the second cycle to expand her business. In just three months, Sharada's tailoring unit became self-reliant and she now receives orders from far and nearby households and her income grows substantially to ₹ 300 a day from ₹ 150 at the time of first cycle of loan.

"I never expected to get a business loan without collateral in a very short period and that too with easy weekly instalment options, it really was a dream come true for me", she added.

"The concept of microfinance is ideally suited for poor people and needs to be introduced to more rural areas as it supports women empowerment and can also be used to fight against poverty and inequality" added Sharada.

She has now become a successful small business entrepreneur and her business begun to grow slowly but steadily towards a position to provide reasonable profit every month. Sharada attributes all her success to Muthoot Microfinance and wants to continue her association with the institution.

## INITIATIVES

## FREE HOMEO MEDICAL CAMP



As part of its CSR commitments, Kundara branch of Muthoot Microfinance in Kollam, Kerala conducted a Homeo medical camp at Kundara on 25th of July 2015. The Free medical camp, held in association with District Homeo Hospital, Kollam attracted more than 200 participants who were given health related guidance and awareness about monsoon season diseases.

The specific Homeo Medical camp was conducted to make people aware of the low cost and highly effective homeopathic treatment. The camp provided general health care check-up and free medicines to the patients.

The main intention of the one day camp, led by Dr. Sini Thomas, Dr. Biji Daniel and Dr. Raji Damodaran was to create a mass awareness about spreading monsoon diseases like Hepatitis, cholera etc. The camp also provided some basic medications, screening, testing, health related guidance and awareness.



## MFIs NEED FUNDS WORTH ₹ 25,000 CR IN NEXT 12-18 MONTHS

Micro Finance Institutions (MFIs) may require to raise an incremental of approximately ₹ 25,000 crore in the next 12-18 months through a combination of equity, non-convertible debentures and term loans from banks, said Microfinance Institutions Network (MFIN).

“The incremental requirement would be approximately ₹ 2,000 crore through equity, ₹ 3,000 crore through non-convertible debentures (NCDs) and term loans from banks and financial institutions worth ₹ 15,000 to 20,000 crore in the next 12-18

months,” said R Baskar Babu, Vice President of MFIN at an event held in Mumbai.

The equity portion includes major part through private equity while the NCDs will be mostly done through private placement route.

According to Ratna D Vishwanathan, CEO of MFIN who was also present at the event, the industry will grow by at least 15-20% in terms of portfolios and clients in the next 12-15 months. Vishwanathan added that the number of

clients that MFIs have currently is over 3 crore. The loans portfolio stood at about ₹ 40,000 crore at the end of last year.

MFIs have been playing a key role in financial inclusion. The Reserve Bank of India (RBI) is in the process of accessing the applicants for granting license for payments bank and small finance banks which would also help in catering to financial inclusion. It is believed that even if these players emerge in the time to come, there will be opportunities for MFIs in their own space.

### INITIATIVES



*Mr Sadaf Sayeed, CEO-Muthoot Microfin & Mr Thomas Cherukara, MD - CBC Honda marking the key handover to first customer.*

Muthoot Microfinance division joined hands with CBC Honda Thiruvananthapuram, towards enabling women micro- entrepreneurs to own 2 wheelers for improved mobility of their business functions and progress.