

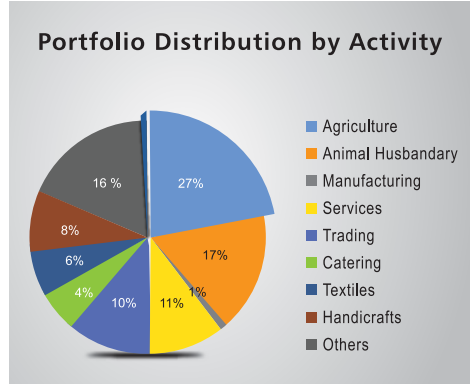


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**MPG VENTURES INTO DAIRY BUSINESS**

*Mr Thomas Muthoot, Executive Director - MPG*

Muthoot Pappachan Group, one of India's leading business groups is venturing into dairy business, procuring milk from their borrowers. The Group is establishing a milk processing unit in Palakkad, Kerala - the new company would be collecting, processing, packaging and distributing milk and its by-products.

"The idea originates from the need of forward integration for our 50,000 plus diary loan clients in microfinance business. With this venture, the company is trying to address some core issues which are critical for our customer and the entire dairy ecosystems," said Thomas Muthoot, Executive Director - MPG.

The business would be managed under a separate company called Muthoot Dairy and Agri Ventures Pvt. Ltd. It will be fully owned by MPG. "We will be procuring milk from our

borrowers. We are doing complete end-to-end integration of our services with the aim of giving better value for producer and providing better quality product to end-users," said Mr. Muthoot.

According to Mr Muthoot, this venture could eliminate middle man and provide better price to dairy farming clients for their milk; provide un-adulterated pure milk to the end-consumers; address the shortage of milk with growing demand in Kerala; and provide dairy extension services to farmers and help them get better yield from their animals.

"There is large demand-supply gap in this sector. With increasing demand for higher nutrition among growing middle class and rural areas, the demand and prices of milk are poised to grow," Mr Thomas Muthoot added.

**FACTS AND FIGURES**

Group Lending	
Districts	92
Branches	302
Centres	110612
Active Members	1074210
Disbursement (May)	174.53 Cr
Total Disbursement	4221.20Cr \$ 662.14 mn
Repayment Rate	99.77 %
PAR→ 30 Days	0.23 %

MSGB Loans	
Current Portfolio	149.03 Cr
Total Disbursement	176.15 Cr

PERSONNEL STRENGTH	
Field Staff	3258
Total Staff	3344





## SMALL STEP, BIG LEAP

Loan ID: KVPR#604/SC

Devi is a 32 year old woman entrepreneur, living in a remote village called Kovaipudur in Coimbatore. She and her husband are fruit vendors in the nearby market. They have two children and the family had been having a low standard of living without any progress for a long period of time.

A couple of years back, the family expenses began to increase and they faced frequent financial difficulties. At that point of time Devi realized she should seek progress as time goes by or it will be difficult to keep up with this era of rising prices every day. Devi wished if her business could fetch more income to the family. She knew that, investing more money to her micro business will increase the income. Though she was ready to work hard, there were no savings with her to make an investment.

In fact, Devi has been doing the business for many years, but due to lack of financial management skills and borrowing money from local lenders at high interest kept her burdened without savings. At that time, she learned about Muthoot Microfinance from women entrepreneurs in the neighbourhood and was excited to know about how the institution serves its clients.

A relationship officer from the company approached her and analysed her business plans, he also explained her the extended services Muthoot provides apart from just lending money. The RO also advised her that a proper money management will help her save money for future.

Devi was convinced of the institution's goodwill and responses from other clients of the institution. She soon applied for a microfinance loan and the institution sanctioned it in a quick time. Though Devi knew exactly what to do with the money, the institution advised her to invest the money in step by step and taught her basic money management skills through financial literacy trainings.

After one year, Devi finished off the first cycle loan and availed the second loan, she made good progress in her business and earns at least Rs 500 a day now; earlier her revenue was below Rs. 200. The investment made her business steady and she never ran out of goods. The newly learned money managing skills equipped her to save money and pay off debts. Devi is speeding on a highway of success now and has no plans to pause.

- Total profit (EBIT) for FY 2015-16 as of April 30, 2015 is at 25.08crores.
- Total profit (EBIT) for the previous fiscal same period was 15.01 crores.
- The profits increased 67% in April, 2015 year on year.
- Operational Income for FY 2015-16 as of April 30 is at 30.86crores.

- Wadakkancherry and Koyilandy (Kerala) branches crossed 15000 clients in May.
- MSGB Loans added 3832 clients in May.
- MSGB Loans disbursed over Rs. 19.08 crores in May.
- IGL-Dairy added 3253 dairy farmers in May, disbursing Rs 8.24 crores.
- Dairy Loan Outstanding as on 31st May is Rs 97.22 crores from 56791 Dairy Farmers.
- Training team conducted 137 internal training programmes in May.
- A total of 1260 employees were benefitted through the internal training programmes.





## BREAKING THE SHELL

Loan ID: NPMC#91

Varsha Manohar is a 41 year old woman entrepreneur from remote Malipura in Nagpur. She is an expert in pottery and sculpture skills. She has been engaged in pot/sculpture making since she was young. However, after a certain stage, she needed investment to further increase her output and to build some facilities for the enterprise. She knew many women who continue to make crafts every day but never have progressed as their output remained the same because they never thought of development.

Varsha's husband was a big support to her. He used to manage the sales. He used to take the pots from door to door selling. Meanwhile, Varsha decided to borrow some money from a local lender but knowing the exorbitant interest rate she decided not to. Later, she came to know about Muthoot Pappachan Group's Microfinance offering. The brand was well known to her. A relationship officer approached Varsha and detailed all the process, interest rates and other services the institution provides to its clients.

Convinced of the prospects, Varsha decided to avail the loan. The institution passed her loan after a quick verification and she used the money to build facilities to increase the pottery/sculpture output. The business slowly started to improve, her husband helped her to sell the sculptures in nearby market; the creative sculptures brought more profit than regular pots. Almost 1 year after the loan, she has doubled her revenue, now she is aware that more investment can further develop her business. She has 3 children who are only students and her wish is to give them quality education. She also plans to hire a couple of workers and sell her products, especially sculptures to other vendors.

Towards her future plans, she would need more investment and has decided to avail MSGB loans provided by the institution, as she believes Muthoot Microfinance has been a great financial partner to her business. She trusts the brand and the institution has offered her all support for her future developments too.

## FREE MEDICAL CAMP



Muthoot Microfinance Kulasekharam branch (Tamilnadu) organised Free Medical Camp at the branch office on 23rd May 2015. The camp was organised in association with SreeMookambika Hospital, Kulasekharam.

The objective of the camp was to provide health care services to economically disadvantaged people living in the remote rural sectors of India - who are unable to afford potentially expensive health check-ups.

A team of health care experts from SreeMookambika Hospital screened the attendees for various medical conditions. All the attendees gone through check-ups for Blood Pressure variations, Diabetics, Eye and Dental Health.

All the patients were given basic health-care services, including free prescriptions and basic tests. The doctors also gave a brief awareness on health and hygiene to the participants. 200 people from the region turned in for the Health check-up camp.





## MPG TO SET UP GOLD RECYCLING CENTRES ACROSS INDIA

*Mr Thomas Muthoot, Executive Director – MPG  
inaugurating Gold Recycling Centre at Delhi.*

In an attempt to take early advantage of the proposed gold monetization scheme, Muthoot Exim—the precious metals arm of Muthoot Pappachan Group (MPG), has decided to set up gold recycling centres across the country.

The centres known as 'Muthoot Gold Point', aim to recycle gold jewellery into bars at nominal cost. The company has already been running a 'Gold Point' centre in Coimbatore for the past two months. The centre has collected nearly 10 kilograms of old gold from around

200 customers since its opening.

The huge success of this Centre has led to opening of more such centres across the country. According to Keyur Shah, CEO, Muthoot Exim, the company plans to launch 20 'Gold Point' centres by March 2017 and recycle at least 2 tons of gold jewellery into bars.

The 'Gold Point' model intends to collect old gold from customers. The centres will be equipped with state-of-the-art X-ray gold purity tester.

The customer will be paid the value of

gold as per market price after deducting 2 percent on purity as administrative charges. The collected gold will then be melted in the presence of customer and later supplied to organized jewellers.

All normal transactions require the customer to fill out a detailed Know Your Customer (KYC) form. Also, transactions exceeding 2 lakhs will require PAN card details. Gold recycling is still an unorganized sector in the country. There exists no standardized procedure to ascertain the value of old gold.

## MUTHOOT FINCORP LAUNCHES "MUTHOOT E-PAY"

Muthoot Fincorp, the flagship company of the Muthoot Pappachan Group (MPG), has launched its new online service - "Muthoot e-pay". The new platform will enable Muthoot Fincorp's gold loan customers to repay the principal and remit interest in bulk or in part through online payment facility.

Commenting on the launch, Mr. Thomas John Muthoot, Chairman and Managing Director of Muthoot Fincorp Ltd. said, to move in tune with the online technological

advancement and to ease the process of transactions and payments, we have decided to launch the online payment facility to our valued Gold Loan customers. Customers' convenience has always been of utmost importance for Muthoot Fincorp Ltd. With Muthoot e-pay, our customers can now make payment into their loan account, either by using their Debit Card or Net Banking facility.

Muthoot Fincorp has launched this new service by partnering with HDFC Bank,

which owns the payment gateway. The e-pay facility will be made available on the company's official website [www.muthoot.com](http://www.muthoot.com), where customers can register themselves and make online payments.

Muthoot Fincorp Ltd., apart from its geographical expansion, plans to grow its product range too by understanding the needs of the customers and bring out more products.