



**Accolades**

**MPG TO LEND ₹25,000 CR DURING 2016-17**



Thomas John Muthoot, CMD - Muthoot Pappachan Group

Muthoot Pappachan Group is aiming to disburse ₹25,000 crore in the current fiscal through its financial verticals. According to Mr Thomas John Muthoot, CMD - MPG, of the targeted disbursement, gold loans will account for ₹19,000 crore as against last year's ₹15,000 crore. The diversified loan portfolio, other than the flagship gold loan product includes low-value housing loans, two-wheeler loans, microfinance and micro, small and medium enterprise (MSME) loans. The Group is in advanced talks with foreign private equity funds to raise ₹400-500 crore for its microfinance business. The objective is to broaden its diversified lending

portfolio with more consumer-centric products and de-risk itself from the impact of volatile gold prices. The fund-raising in the microfinance business is likely to be completed within a couple of months. The transaction will help the company double its microfinance asset book to ₹5,000 crore in two to three years from the current ₹2,100 crore. Mr Muthoot said the growth through product diversification, favourable sector dynamics and renewed customer engagement will ensure sharp improvement in return ratios of gold loan NBFCs over the next few years.

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**Observatory**

Client per Capita Income/Month	
Per Capita Income	Percentage
← = 1000	00.54%
1000 – 1500	10.15%
1501 – 2500	51.46%
2501 – 3500	29.11%
3501 – 5000	08.49%
5000 Above	00.25%

Facts and Figures	
Group Lending	
Districts	111
Branches	343
Centres	1,52,912
Active Members	12,18,163
Disbursement (June)	₹ 179.30 Cr
Total Disbursement	₹ 6563.83 Cr \$ 980.81 mn
Repayment Rate	99.40 %
PAR > 30 Days	0.60 %

MSGB Loans	
Current Portfolio	₹ 175.91 Cr
Total Disbursement	₹ 367.33 Cr

Personnel Strength	
Field Staff	4127
Total Staff	4239



 Impact

## FIZZING TO SUCCESS



Load ID: TJMC@976

47-year-old Selvi from Dhuvaraga Nagar in Thanjavur district of Tamil Nadu is a typical Tamil village housewife. With sheer hard work and a little support from Muthoot Microfin, she has now become a role model for her villagers.

As is the case of most of her villagers, her family lived in half poverty as Selvi's husband Selvaraj - who is a coolie often remained jobless for most part of the year. The situation forced Selvi to earn something for her family. She started a fruit vending business in a modest way and travelled around village selling the fruits but the earnings remained meek and she was forced to stop it eventually.

She knew the potential of a fruits shop near her locality but raising even a penny to start such a venture was out of the question for her. However, she got a lucky break six years ago when a Muthoot Microfin Relationship Officer visited her home as part of street survey. She was thrilled to know about the institution's work pattern and soon joined a joint liability group.

She was granted the first cycle loan of ₹15,000 and used that money to rent a shop

near her home and also bought in essentials to start her fruits shop in a small way. Selvi had an entrepreneurial flair within her and slowly her earnings began to climb up regularly and touched ₹400 a day within two months. She soon added vegetables to the fruits shop and that further increased her profit.

Eventually, Selvi reached a position where she was able to take care of her family that includes 4 children, providing the best opportunity to live a sustainable life free from hardships. But the immediate success didn't stop Selvi. She availed a second cycle loan of ₹25,000 from Muthoot. With that and using the profits from her businesses, she started a soda making unit adjacent to the shop. Selvi now sells soda to nearby shops and big restaurants bringing in a daily profit of ₹600.

"All that I have achieved would never have been possible without Muthoot Microfin's support; the support enabled me to send my children to school and take care of my family; I will continue my association with Muthoot as I still got plans to grow my small businesses", said Selvi.



### Provisional Financials

- Total profit (EBIT) for FY 2016-'17 as of May 31, 2016 is at ₹59.61 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹52.53 crore.
- The profit increased 13.00 % in May, 2016 year on year.
- Operational Income for FY 2016-17 as of May 31 is at ₹74.12 crore.



### News-Highlights

- Opened new branches in Mudigere (Karnataka), Pratapgarh and Jaunpur (UP).
- MSGB Loans added 2883 customers in June.
- MSGB Loans disbursed over ₹13.51 crore in June.
- IGL-Dairy added 1856 dairy farmers in June, disbursing ₹5.65 crore.
- Dairy Loan outstanding as on 30th June is ₹87.82 crore from 60988 Dairy Farmers.
- Training team conducted 201 internal training programmes in June.
- A total of 1629 employees were benefitted through the internal training programmes.



 Impact

## RIGHT TIME BACKING HELPS HER CAUSE



Loan ID: TENK@194

Valarmathi was an ordinary housewife who lives with her husband Thanikasalam and their 2 children at Kalankarai, Senkottai in Tamil Nadu. The family was dependent on Thanikasalam's income alone which was actually too low and inconsistent. The situation forced Valarmathi to do something of her own to support their family of four. She knew that there were no shops in their area, and aspired to fill that gap. She invested her small savings and launched a small shop in a rented space near her home. However, her plans for a fully-stocked petty shop were hampered by lack of investment capital, and initially she could sell only items with a little margin.

She desperately wanted to grow her business and contacted numerous financial institutions seeking loans to expand her business, but her loan applications were denied or ignored for lack of collateral security. During this time, Muthoot Microfin was introduced to her by a neighbour. She was impressed by the institutions simple but effective working pattern. Joining other women in her area, Valarmathi received her first cycle loan

of ₹15,000 and utilised it to buy more stocks to her shop. To her surprise, the institution also provided her financial literacy and skill trainings. In a few months, her business picked up and the daily income hit ₹500 from a meagre ₹250 a couple of months before.

After a year Valarmathi availed her second cycle loan amount of ₹30,000. She expanded her business and started to manufacture handicraft products with the help of her husband and two children and sold it through the shop. Her income now hits ₹700 a day as the micro loans from Muthoot Microfin enabled her to increase her inventory and later diversify into selling bigger margin handicrafts.

Valarmathi currently employs some neighbours, generating income for their families in addition to her own. The success of her business has enabled her to live a decent life and provide her children with better education. She now thanks Muthoot Microfin for all the support she received at the proper time. She added that she will continue her association with the institution as her business and dreams grows big.

 Initiatives

## DAIRY FARMERS LEARN NEW TECHNIQUES AT YAVATMAL PROGRAM



Yavatmal branch of Muthoot Microfin in Maharashtra organised a one-day Dairy Awareness Programme on June 27, 2016. The awareness session, held at Yamatval branch office benefitted 75 dairy farmers from the locality.

Renowned veterinary Doctor, Mr. Sudarshan Dole led the programme with an awareness session in the morning. He highlighted the intent of the program and encouraged the farmers to use scientific farming techniques to advance in the dairy business. He also emphasized on the topics of breed selection, farm sanitation and hygiene.

Dr. Sudarshan Dole also talked about measures to obtain maximum fertility and vaccination schedules. Muthoot Microfin conducts dairy awareness camps across the country to educate farmers about growing benefits in dairy profession. The camp was inaugurated by Shukli Panchayath President Mr. Umabai Gaikwad.



## WHEN POPULISM IS MIXED WITH ECONOMIC PRUDENCE



Thomas George Muthoot, Director  
Muthoot Pappachan Group

Populism is the refuge of any government and it becomes so evident during budgets. The Left government headed by Mr. Pinarayi Vijayan has from the very beginning been attempting to project himself and his government as investor-friendly and pro-development. This was palpable with his initial pronouncements soon after taking charge as the CM. This attempt to take a course correction or rather a change in direction can be seen in the budgetary pronouncements as well. Finance Minister Thomas Isaac, praised even by his detractors

### MR. THOMAS GEORGE MUTHOOT'S COMMENTARY ON KERALA BUDGET

for his eminence as an economist, appears to have mixed populism with economic prudence in his budget presented in Kerala assembly.

Isaac seems to have smartly blended populism with practicality. For instance, the "fat tax" on junk food items such as pizzas, burgers, tacos, etc. is a double-edged sword. While it is seen as a measure to fight the growing problem of obesity in the state, the measure obviously helps the government fill the cash-strapped exchequer.

Isaac's promise of increasing tax revenue by 25 percent per annum by various measures like doing away with corruption is a welcome step provided the promise is followed by prudent measures and committed plan of action. Ditto the announcement that steps would be taken to attract ₹1 lakh crore investment in various sectors in the next five years. Industry insiders like me are eager to see how this is going to become a reality and hope that this will not just die down as just another budgetary rhetoric. I hope the

Pinarayi government lives up to his initial assurances given to the state when he took over the reins of the state.

The decision to impose tax on packed wheat products and coconut oil may be regarded as unpopular but essential in the face of resource crunch. The allocation of ₹5,000 crore for infrastructure projects and ₹385 crore for 17 by-passes in the state will hopefully address the infrastructure-related challenges.

Other investor-friendly announcements, such as ₹1,300 crore for the IT sector, backing of 1,500 start-ups, etc., if implemented in right earnest, can take the state into the country's IT map in all its glory. The million-dollar question is if the Pinarayi government will strive doggedly to implement these developmental agendas with the attention they eminently deserve. This is where the wherewithal of the government will come for public scrutiny and the industry watchers watch with eagerness.



## CHILDREN LEARN DINING ETIQUETTE AT HILTON GARDEN INN



A group of children from families of Muthoot Fincorp Corporate Office staffs took part in a half-day session on Dining Etiquette and F&B Practices at the Hilton Garden Inn Thiruvananthapuram on the 22nd of May, 2016. Hosted by Mr. Sujith Menon, F&B Manager, Hilton Garden Inn, the programme taught various aspects of dining, table setting, cutlery, appropriate practices and manners to be observed at the table. The session was tailored to suit the audience and ensured enthusiastic participation of all children and addressed the doubts and misgivings that people generally have when faced with the seemingly challenging engagement of dining in a formal setting.

Muthoot Fincorp Executive Vice President, Mr. S. Kannan inaugurated the session and highlighted the importance of table etiquette and its importance in all cultures. 29 children from the age group 12-20 years took to their task and completed a three course meal, prepared especially for them to practice their newly gained knowledge. At the end of the session, all the participant children were awarded certificates for successfully participating in the session.