



Accolades

MUTHOOT MICROFIN BRINGS DRINKING WATER TO LATUR



Muthoot Microfin, the microfinance arm of Muthoot Pappachan Group intervened to help out the drought hit communities in Latur district of Maharashtra by distributing 50,000 litres of drinking water for the people.

Tens of thousands of people in Latur district of Maharashtra were struggling facing the consequences of an extended drought and acute water scarcity. Muthoot Microfin collected 50,000 litres of drinking water and brought it to Latur in 20 tanker lorries containing 2,500 litres of drinking water each.

The company distributed water among 500 families in severely drought hit areas with 100 litres of water for each family. The people in the area were also given a brief awareness session on proper

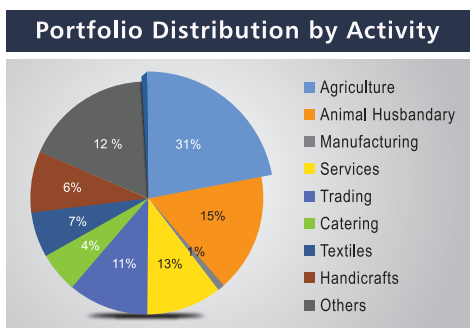
usage of the water and water saving techniques like rain water harvesting for future on 21st May. Muthoot Microfin's efforts to bring drinking water to the drought hit Latur have captured national attention. Media and the local administration of Latur praised Muthoot's efforts to provide free drinking water to people at a time when profiteers were cashing in on the crisis by selling water at exorbitant rates in the region.

Muthoot Pappachan Group's microfinance operations started in Maharashtra in 2013 and currently has 21 branches in the state. The company plans to expand largely in Maharashtra and northern states in the Financial Year.

INSIDE

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

Observatory



Facts and Figures

Group Lending

Districts	111
Branches	340
Centres	1,52,088
Active Members	12,16,017
Disbursement (May)	₹ 155.37 Cr
Total Disbursement	₹ 6384.27 Cr
	\$ 950.10 mn
Repayment Rate	99.46 %
PAR > 30 Days	0.54 %

MSGB Loans

Current Portfolio	₹ 179.59 Cr
Total Disbursement	₹ 353.82 Cr

Personnel Strength

Field Staff	4018
Total Staff	4128



 Impact

THREADING FOR A TURNAROUND



Load ID: KVKD#2726/SC

Thirty-four-year-old Mallika, residing at Thamarakulam in Coimbatore district of Tamil Nadu has always been a planner and set goals for herself. Thanks to that, she has now become a successful small time business woman and is a role model for her villagers.

However, barely 4 years ago, raising even a small amount of capital to start her coir business was out of the reach for this mother of two children. Her transformation from a daily wage coir worker to a coir producing business owner is a remarkable story itself. Four years ago, Mallika's daily income from working at a nearby coir industrial unit was a meagre ₹150 and she continuously struggled to meet family expenses with that income. Her husband Mahendran was also a coir worker and his income too didn't go beyond ₹200 a day.

The never improving situation forced Mallika and family to take a bold step - to start a coir business of their own as they have the technique, knowledge and experience for it. However, raising enough money to start the business remained a big problem. She approached many financiers including local

lenders for a loan but everyone turned her away as she and her family couldn't provide anything for collateral security. She was dejected but didn't lose hope and continued to work as a daily labourer for a living.

Later, a neighbour introduced Mallika to Muthoot Microfin. She was thrilled to join after knowing the institution's simple but effective procedure to get a loan. To her surprise the company not only provided her with first cycle loan of ₹10,000 but also was given a basic training on business skills. She bought a new de-husking machine with the amount and increased her production three times.

Mallika's business bloomed in quick time and her daily profit from the business hit an average ₹600 a day and is climbing steadily. She availed the second cycle loan of ₹30,000 and purchased a threading machine to further increase the production. She now employs two neighbours and plans to increase her production to earn a daily profit of ₹1000 in the near future. Mallika confidently says "I will continue my association with Muthoot for my future business expansions too".



Provisional Financials

- Total profit (EBIT) for FY 2016-'17 as of April 30, 2016 is at ₹31.14 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹25.08 crore.
- The profit increased 24.00 % in April, 2016 year on year.
- Operational Income for FY 2016-'17 as of April 30 is at ₹37.62 crore.



News-Highlights

- Opened new branches in Karwar (Karnataka), Lucknow, Allahabad and Sultanpur (UP).
- MSGB Loans added 2232 customers in May.
- MSGB Loans disbursed over ₹10.36 crore in May.
- IGL-Dairy added 1614 dairy farmers in May, disbursing ₹4.88 crore.
- Dairy Loan outstanding as on 31st May is ₹87.96 crore from 60928 Dairy Farmers.
- Training team conducted 193 internal training programmes in May.
- A total of 1631 employees were benefitted through the internal training programmes.

GROWING STEADILY



Loan ID: KVKD#1848/SC

Mahalakshmi is a 38-year-old house wife from Soolakkal in Coimbatore district, Tamil Nadu. Born and raised in this small village on the outskirts of Pollachi, she has only primary education and was married early. Her husband, Karuppasamy is a daily labourer and was often out of work during the rainy seasons which makes living harder for the family of four that includes two small children.

The situation forced Mahalakshmi to find a way to earn for her family and she was quick to notice the potential of a shop to sell Pooja items and other stationaries in the locality which is known for the famous Mariamman temple. The worshippers come in hundreds daily, and on Tuesdays and Fridays the numbers touch many thousands. She soon realized that while worshippers often had to bring their pooja items or to walk many miles to avail them as there were few places for them to get pooja items in Soolakkal.

Mahalakshmi took loan from a local institution and started her business. However, the loan amount was too low for her to buy enough materials to attract customers in large numbers and her business remained modest for the first six months. Her average daily income remained below ₹200. However, she knew that with more stocks, the business

can grow in quick time but raising more money remained a challenge for her as she has to repay the earlier loan with the modest income apart from running the family.

She was forced to live with the limited income for a year. Mahalakshmi got a lucky break a year later when a Relationship Officer from the local Muthoot Microfin branch visited her house as part of street survey and explained to her the institution's operations which doesn't require collateral to avail a loan. A first cycle loan of ₹10,000 was granted to her after a week and she utilised it to buy enough raw materials. Within a week her business improved as more customers turned in and the income also began to soar and hit an average ₹1400 a day, out of which she manages an average profit of around ₹400.

After the completion of the first cycle loan, she availed a second cycle loan of ₹25,000 and expanded the business by adding a tea stall which is also making good profit. A thankful Mahalakshmi says "Muthoot Microfin came to my life at the right time and helped my family out of poverty. Apart from the loan, the training and financial literacy classes given by the company was also very valuable to me, as I learned business skills for the first time in my life".

MUTHOOT EXIM LAUNCHES GOLD RECYCLING CENTRE IN AHMEDABAD

Muthoot Exim, the precious metals division of the Muthoot Pappachan Group (MPG) has opened its 6th gold recycling center 'Muthoot Gold Point' in Ahmedabad, Gujarat. Muthoot Exim sees more household gold coming in for recycling as the government aggressively promotes its gold monetization scheme.

Since the launch of its recycling business in December 2014, Muthoot Exim has recycled about 87 kg of gold at five of its centers and sold it to various jewelers. The company operates Muthoot Gold Points in Coimbatore, Chennai, Delhi, Mumbai and Kolkata.

The centre will buy old gold jewelry from customers, weigh and test them for purity, reprocess, and supply the refined bars for domestic consumption. Muthoot is planning to set up 10 more such centres in India during the next fiscal. The company has set a target of about 600 kg of gold to be recycled by March 2017, and 1.5 tons by March 2018.



THOMAS JOHN MUTHOOT SPEAKS AT C2 MONTREAL 2016



Mr Thomas John Muthoot, CMD-Muthoot Pappachan Group attended the prestigious C2 Montréal Conference this year and was one of the key speakers of the three-day event held from May 24-26. In his speech at the conference, Mr. Muthoot dwelled at length, how Muthoot Pappachan Group through its various entities serve the low income people of the society and the Group’s vision to bring millions of them

to the main stream financial services. It also gave him a rare occasion to interact with renowned Speakers and participants from different nations.

C2 Montréal which happens every year is a collaborative and immersive conference that unites global trailblazers, business innovators, entrepreneurial icons, social game changers and a host of other engaging thought provocateurs at the top of their creative game.

This year, it brought together more than 5000 decision makers and creative minds to explore trends, opportunities, disruptions and major shifts on the horizon.

Some of the earlier and current speakers were Richard Branson (Virgin Chairman), Patrick Pichette (Google CFO), Francis Ford Coppola (Famous Director), Andre Agassi (Tennis Legend) and Michael Dammann Eisner (Former Disney CEO).



‘ONE BRANCH ONE TREE’ TO MARK 2016 WORLD ENVIRONMENT DAY



Muthoot Microfin has launched ‘One Branch One Tree’ project starting World Environment Day, 2016 as part of its continuous efforts to preserve and protect the environment for future generations.

Through the CSR project, every Muthoot Microfinance branch, Regional Office and Head Office will plant a tree on June 5, celebrating the World Environment Day – with a pledge to protect the sapling continuously forever. The HO will lead the campaign by planting saplings in Subhash Chandra Bose Road, Kochi on the day.

To showcase the company’s commitment towards a greener and cleaner world, Muthoot Microfin branches and Regional Offices across the nation are expected to create quite an impact of the programme with ample public participation. A few branches will organise big events on the day with a host of activities that include awareness session on environment protection and numerous sapling distributions to communities etc.