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**M Accolades**

# VILLA MAYA WINS TRIP ADVISOR TRAVELLERS' CHOICE AWARD



Villa Maya, a fine dining restaurant owned by the hospitality venture of Muthoot Pappachan Group (MPG), has been ranked 3rd in India's top 10 Fine Dining restaurants by travel portal Trip Advisor, based on traveler reviews about lakhs of restaurants across the country. Situated in Thiruvananthapuram, Villa Maya was ranked 4th in the category last year.

The restaurant is housed in an 18th century Dutch manor which was once patronized by the Royal house of Travancore. Villa Maya also has been ranked 12th among the Best Fine Dining Restaurants in Asia by the US-based rating portal.

"Our commitment to the finer traditions

of customer satisfaction coupled with the assurance of an excellent culinary experience made us stand out. It is a feather in our cap, we are proud that the quality of our service has been recognized at the global level, especially when it comes directly from one of the world's largest travel sites", Thomas John Muthoot, chairman and managing director, Muthoot Pappachan Group said.

Trip Advisor Travellers' Choice awards honours top restaurants in India based on the millions of algorithm that take into account the quantity and quality of reviews for restaurants gathered over a 12-month period.

**M Observatory**

**Per Capita Income per Month**

| Per Capita Income | Percentage |
|-------------------|------------|
| ← = 1000          | 00.91%     |
| 1000 – 1500       | 13.15%     |
| 1501 – 2500       | 52.39%     |
| 2501 – 3500       | 26.71%     |
| 3501 – 5000       | 06.67%     |
| 5000 Above        | 00.17%     |

**Facts and Figures**

**Group Lending**

|                        |                              |
|------------------------|------------------------------|
| Districts              | 101                          |
| Branches               | 318                          |
| Centres                | 1,24,221                     |
| Active Members         | 11,56,647                    |
| Disbursement (October) | ₹ 183.40 Cr                  |
| Total Disbursement     | ₹ 5074.51 Cr<br>\$ 767.29 mn |
| Repayment Rate         | 99.63 %                      |
| PAR> 30 Days           | 0.37 %                       |

**MSGB Loans**

|                    |             |
|--------------------|-------------|
| Current Portfolio  | ₹ 188.72 Cr |
| Total Disbursement | ₹ 262.02 Cr |

**Personnel Strength**

|             |      |
|-------------|------|
| Field Staff | 3476 |
| Total Staff | 3574 |



 Impact

## INCREDIBLE TURNAROUND TO TRIUMPH



Loan ID: S2SK#839/SC

Vasanthi is proud today, as she has got her milk shop decorated in style, replaced old shelves and racks with new ones and also stacked up new food and confectionary products in each one of them.

She now thanks Muthoot for all the support that transformed her life for good. The 34-year-old Vasanthi who lives in Sivaganthi Nagar, Sivakasi district in Tamil Nadu had a very painful life with lots of problems in it. Her family consists of her husband Mani and two children were completely dependent on Mani who is a daily labourer. The paltry income was not at all sufficient to even feed her growing children.

To overcome the situation, Vasanthi wanted to do something of her own to help her family. Towards this, she borrowed some money from local loan sharks and started a small fruit shop in front of her home. She bought fruits from local vendors and sold it at a small margin. Her average profit for a day remained an average of ₹100 for some time. Vasanthi had bigger plans and wanted to expand the business. But for that she needed more capital. However, all her efforts to raise enough capital ended in misery as all of the financiers demanded collateral security which was beyond her reach at that point.

However, she got a lucky break when an RO from Tenkasi branch visited her shop and explained Muthoot Microfinance's loan schemes that don't require any collateral security. She soon joined a group and availed the first cycle loan of ₹15,000. Using that amount, she bought more fruits from the local market and was able to get more profit. After a while, Vasanthi's income increased to ₹400 a day from a meagre ₹100 a day.

Out of the profits she not only paid off the loans but also saved money to start a milk shop within the area of her fruit shop. She also availed her second cycle loan of ₹30,000 and added more items to her milk shop. She also makes bakery and other snacks at home and sells through her shop which fetches her additional income. Her income now hits a whopping ₹1000 a day, more than enough to run the family at ease without even depending on her husband. She has gained a lot self-confidence and courage from her entrepreneurial venture.

She now lives a happy life with a decent business and as an entrepreneur says "I will do my best to pursue Muthoot Microfinance's real objectives, which is to help woman entrepreneurs' like me."

 Financials

- Total profit (EBIT) for FY 2015-16 as of September 30, 2015 is at ₹ 172.38 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹ 98.52 crore.
- The profit increased 74.96 % in September, 2015 year on year.
- Operational Income for FY 2015-16 as of September 30 is at ₹ 203.05 crore.

 News-Highlights

- Opened 12 new branches across Kerala, Tamil Nadu and Karnataka in October.
- Poovachal branch (Kerala) crossed 15,000 clients in October.
- MSGB Loans added 2446 clients in October.
- MSGB Loans disbursed over ₹ 12.11 crore in October.
- IGL-Dairy added 2476 dairy farmers in October, disbursing ₹ 6.27 crore.
- Dairy Loan outstanding as on 31st October is ₹ 96.34 crore from 62,046 Dairy Farmers.
- Training team conducted 145 internal training programmes in October.
- A total of 1259 employees were benefitted through the internal training programmes.


**Impact**

## FROM STRUGGLER TO SUCCESS MODEL



Loan ID: TNSM#6/3C

41-year-old Velammal, residing at Malayan street, Tenkasi in Southern Tamil Nadu is a typical example of a low profile housewife turned successful micro entrepreneur.

Velammal's family consists of her husband and three children. Her husband is a daily labourer and his income was never sufficient to run the family. The situation forced Velammal to take up the responsibility of family and she moved forward smartly. The semi-literate housewife used to make home-made snacks and sell it on street and nearby shops. However, the business never bloomed as she always found it difficult to produce more and sell as per growing demand. She needed more capital to improve the business and so she availed loan from a local money lender. However, she could not improve her business with that paltry amount and gradually had to stop the entire business.

However, Velammal never lost her motivation and continued to look forward to find a way to reopen her business and approached many financiers in her locality for an initial capital. At this juncture, a Relationship Officer from Muthoot Microfinance's Tenkasi branch approached her and explained company's easy

and comfortable operating style that suits people like her very well. After a quick process, Velammal availed her first cycle loan from Muthoot Microfinance. She used that money to set up a small cooking facility in her house to increase production of various food items.

After a while, she was given second cycle of loan. Today she runs her small business with utmost pride and confidence. She makes quality food items at home that includes murukku, kappalandimithai and samosas and sells it to the nearby areas which fetches her enough income to run the family at ease without even depending on her husband.

Her income rose to ₹500 a day from a meagre ₹100 a day at the beginning of her association with Muthoot Microfinance. She has gained a lot of self-confidence and courage from her entrepreneurial venture. Her entrepreneurial courage has made her stand on her own feet by also supporting her family with immense care and love. She says, "I was totally depressed and shocked when I was denied loan by financiers but Muthoot Microfinance not only helped me to stand on my feet but to achieve financial security for my family for future."


**Initiatives**

## HUNDREDS BENEFIT FROM VARICOSE VEIN MEDICAL CAMP



Kottayam branch of Muthoot Microfinance organized a medical awareness camp on varicose vein at the YMCA hall in Manarcadu, Kottayam on 10th October 2015. Hundreds of people were examined at the camp, conducted in association with Muthoot Life Brigade Hospital, Vadavathoor.

Local community came together to participate with great enthusiasm and deepened social awareness among them as it helped them in gaining awareness about Varicose Vein (A disease affecting veins in legs causing it to swollen, twisting that can be seen under the surface of the skin).

Medical Officer Dr Krishnan Namboothiri, Hospital Director Mr Ron Mathew, Coordinator Mr Mathew Tharakan and medical staffs from the hospital interacted with each participant and directed some cases to the hospital for further treatment. According to doctors, the majority who attended the camp had no major health issues.

 Special Feature

# 'We want to be the foremost two-wheeler financier'

Excerpts from an interview with Mr. Thomas George Muthoot published in Dalal Street Investment Journal.

Muthoot Capital Services Ltd (MCSL) was incorporated in the year 1994 and had its initial public offering in 1995 with BSE listing.

**Could you describe the journey of MCSL so far?**

The company started the vehicle loan operations by granting two wheeler loans in the state of Kerala. Later the company expanded its operations to Tamil Nadu, Andhra Pradesh, Karnataka and Goa and later to Maharashtra and Gujarat. The company has a preferred financier arrangement with the two main manufacturers of two wheelers viz; Honda and Hero. At present the company provides two wheeler loans to needy entrepreneurs in the unorganized sector mainly in the rural and semi urban areas.

One of the USP's of the company is providing an ultimate flexi payment plans for its borrowers. The borrower can remit any particular EMI at any of the MFL branches in any convenient divisions of the installments during the month and will not be penalized as long as the entire EMI is paid before the due date. The large network of MFL branches across the States that MCSL operates in provides this opportunity to borrowers which no other financier provides.

The company has expanded rapidly over the last few years and moved from the loan book size of Rs 102 crore as on March 31, 2010 to Rs 841 crore as of March 31, 2015 and further to Rs 878 crores as on June 30, 2015. The company expects to maintain the tempo over the forth coming years and with that aim has started its operations in North India with the launch of its services in Jaipur and NCR recently. The total asset under management as on June, 2015 was Rs 878 crore. The company expects to grow the loan book size by 20% over the rest of the year.



*Thomas George Muthoot  
Director - MPG*

**What are your plans to increase your presence beyond southern and western India?**

Currently, we are actively doing business in the southern states and have minor presence in Goa, Maharashtra and Gujarat. While we have adequately covered Kerala, some more geographies and dealerships are yet to be covered in the other southern states. We have peripheral presence in Goa, Maharashtra and Gujarat and are looking at expanding our presence in these three states also. We have started our operations in North India this quarter and with the aim to expand this business rapidly have appointed a business head for handling this sector. The process of setting up the team has begun and we hope to have our presence in some of the northern States by this financial year end.

**Where do you see MCSL five year down the line?**

As mentioned earlier, we are looking at growing in the States that we are currently present in and also looking at expanding into new regions such as North India and later in to East India. We are confident of growing our automobile loan portfolio at a much faster pace than it had been over the last few years as we will have a larger canvas to operate in. The emphasis on loan buyout/SME loans will help us to grow the overall loan book size with the much needed diversification needed in this business. We are aiming to grow the loan book size and revenue at a CAGR of 20-25% over the next five years. Today, we are the only company which specializes in two wheeler financing. We definitely look at it as our strength and hope to gain substantially in the segment over the years to come. We want to be the foremost two wheeler financier in India by 2020. With the plans that we have put in place we are confident of reaching there.