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Accolades

MUTHOOT FINCORP ENTERS HIGH-TECH SECURITY BUSINESS

The Muthoot Pappachan Group, with its flagship gold financing arm Muthoot Fincorp, has floated a new entity - MPG Security Group to take its "technologically advanced security services through emergency response teams (ERTs)" nationwide.

The Kochi-based diversified group has also roped in Mr. Raman Srivastava, the ex-Kerala police chief and also the former DG-BSF, as its chief security advisor, the company said.

Muthoot Pappachan Group chairman and managing director Mr. Thomas John Muthoot said, "MPG Security Group and its emergency response teams are the first of their kind initiatives in the country's ₹ 20,000 crore private security market, "

"While we see large potential for every company that employs private security and needs technologically advanced security solutions, we see an immediate potential from the banking sector, especially for their ATM security," he said.

Mr. Muthoot said the company is in discussions

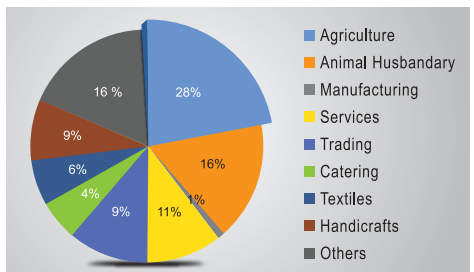
with a leading ATM security provider to offer ERT services to the around 2-lakh-odd ATMs deployed across the country. Stating that banks lose heavily in their ATM business, primarily due to the huge cost involved in deploying security personnel, Mr. Muthoot described manned security as a sheer waste of resources as technology like the one his company offers can take care of such needs. He also said ERT-based security services are in vogue in the Western markets.

He said banks on an average spends around ₹ 50,000 a month to protect an ATM alone. This works out to be around ₹ 1,000 crore for the sector a month that has around 2 lakh cash vending machines deployed.

"If banks adopt our technology tool, they can save hundreds of crores in security cost alone," Mr. Muthoot said, adding, "Muthoot Fincorp alone had spent ₹ 70 crore last year on security cost, my objective is to bring it down to around ₹ 10 crore a year."

Observatory

Portfolio Distribution by Activity



Facts and Figures

Group Lending	
Districts	98
Branches	309
Centres	2,17,968
Active Members	11,26,956
Disbursement (September)	₹ 157.43 Cr
Total Disbursement	₹ 4891.11 Cr \$ 753.28 mn
Repayment Rate	99.66 %
PAR> 30 Days	0.34 %

MSGB Loans

Current Portfolio	₹ 187.76 Cr
Total Disbursement	₹ 249.91 Cr

Personnel Strength

Field Staff	3441
Total Staff	3536




Impact

HARD EARNED SUCCESS



Loan ID: KRLJ # 721/SC

Fifty two year old Santha from Edappallykotta, Chavara in Kollam district of Kerala has been in the tailoring business for the last many years. She now runs a tailoring shop near her house with remarkable success. However, the success took its time to reach her. The hard working housewife now thanks Muthoot Microfinance for all her achievements.

Till a couple of years ago, Santha and her family, consisting of her husband and two children, was finding it difficult to meet two ends as the family's only income from her husband's daily wage labour was quite low and inconsistent. The situation prompted Santha to start her own venture in tailoring. She knew the potential of a tailoring unit in the locality but raising initial capital to buy even a sewing machine was beyond her reach at that time. Her attempts to borrow money from all possible ways failed as all of them demanded collateral security.

However, good fortune struck Santha as she was introduced to Muthoot Microfinance by a neighbour. Aiming to establish her dream tailoring unit and provide a better life for the family of four, Santha immediately joined a group and received her first loan for ₹ 15,000 and allocated it to buying a sewing machine and other raw materials she needed. Two months after availing the first cycle loan, Santha's income rose significantly and now hit ₹ 500 a day from a meagre ₹ 50 a day.

At present, Santha gets orders from far and near for school uniforms and other stitching purposes. She also specialises in stitching Nettipattom (An ornament for elephants) and receives good orders during festival times. She has repaid her first cycle loan and availed the second cycle of ₹ 25,000. Using that amount, Santha expanded her tailoring unit space, increased production, store, and used a display section in the unit to showcase some of her merchandise like Nettipattom.

Thanks to the financing she has received at the right time, even her position in the society has changed. She has transformed into an entrepreneurial woman who keeps thinking on business lines, constantly on the lookout to further enhance and expand her tailoring unit.

"Muthoot Microfinance gave me the power to succeed and changed my life" says Santha. "Now my revenue has increased and my household income has improved," she added. Santha wants to continue her association with Muthoot Microfinance and encourage women like her to join the group and empower themselves.


Financials

- Total profit (EBIT) for FY 2015-16 as of August 31, 2015 is at ₹ 140.41 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹ 81.05 crore.
- The profit increased 73% in August, 2015 year on year.
- Operational Income for FY 2015-16 as of August 31 is at ₹ 169.91 crore.


News-Highlights

- Opened new branches in Puthiamputhur (Tamil Nadu) and Ghaziabad (UP).
- Vikravandi-1 (TN) and Amaravila (Kerala) branches crossed 15,000 clients in September.
- MSGB Loans added 2792 clients in September.
- MSGB Loans disbursed over ₹ 13.88 crore in September.
- IGL-Dairy added 1921 dairy farmers in September, disbursing ₹ 4.89 crore.
- Dairy Loan outstanding as on 30th September is ₹ 86.89 crore from 52,597 Dairy Farmers.
- Training team conducted 186 internal training programmes in September.
- A total of 2084 employees were benefitted through the internal training programmes.


Impact

CRISPY SUCCESS STORY



Loan ID: PTNG#1148

For the last five years or so, 45 year old Sathyabhama Padmanabhan followed a regular routine in her life. She has to rise early each day to grind rice and other raw materials to make hundreds of 'murukku' (a crispy snack) which she sells in the market as well as to nearby bakeries.

Sathyabhama lives in a small house at Karipoduthara, Puthunagaram in the Palakkad district of Kerala with her husband and three children. Her husband Padmanabhan is a handicapped person and his income from daily labour was too low for the family.

For the last few years, to supplement the meagre income her husband earns as a day labourer, Sathyabhama tried her best to support her family by working hard. However, she made very little money from her work; because she could not afford to purchase bulk quantities of rice and other raw materials to make more items. She had availed loan from a financier but the amount was only good enough to make

a start. All her efforts to increase the production failed as she couldn't purchase enough raw materials or expand cooking facilities in her house. Her small business remained dull.

Sathyabhama knew that if she can avail a small loan, she could increase production. However, lack of collateral security, demanded by financial institutions, remained an obstacle for her. She was dependent on local money sharks and had to pay a premium for buying a small supply of raw materials every day.

Then, about a couple of years ago, Sathyabhama heard about Muthoot Microfinance from a friend, and immediately joined a local group. She was granted ₹ 13,000 as first cycle of loan and used it to buy rice, cooking oil and other raw materials in bulk quantities, enabling her to greatly increase profit margins on the sale of her 'murukku'. Now, after two years of hard work, regularly expanding her business while repaying her loans, Sathyabhama now employs four neighbours and expanded her customer base. Her income rose to ₹ 500 a day from a meagre ₹ 100 a day in quick time. As a result, Sathyabhama has been able to provide her family with more care and keep them in good conditions.

A thankful Sathyabhama says, "I thank God and Muthoot Microfinance for the loans I have been granted as I am improving my business constantly and ensuring that my family gets a decent living".

Now, Sathyabhama's long-term goal with the support Muthoot Microfinance is to open a small bakery so she can continue expanding her business.


Initiatives

DAIRY AWARENESS CAMP AT ICHALKARANJI



In order to educate farmers about growing benefits in dairy profession, Ichalkaranji branch of Muthoot Microfinance in Maharashtra conducted a Dairy Awareness and Animal Husbandry camp on October 10th 2015.

Village Sarpanch Mr Dilip Shinge inaugurated the camp on the outskirts of the village in which nearly 60 microfinance clients took part. Veterinary Doctor Pramod Majgave led the camp and gave insights on technical proficiency in Dairy farm management practices. Mr. Amit Thoruse, a representative of Virbac Company also took sessions on different techniques of dairy farm management, training in artificial insemination, pregnancy diagnosis and milk handling.

A pamphlet containing brief details related to Animal Husbandry was distributed among participants, helping them to clear many doubts on animal healthcare, fodder production, importance of cattle vaccination and working of milking machines.

Initiatives

AWARENESS PROGRAMME ON ANIMAL HUSBANDRY



Wardha branch of Muthoot Microfinance in Maharashtra conducted an awareness programme on Animal husbandry on August 28, 2015. Main purpose of the camp was to educate farmers about growing benefits in dairy profession.

Nearly 100 microfinance clients who participated in the programme were provided with innovative and mechanized ideas for improved milk production and to

reduce day to day expenses linked with dairy farming and animal husbandry. They were also informed about various diseases of the poultry and dairy animals.

The Programme was inaugurated by Village Sarpanch Mrs. Lata Raghatate. Renowned Veterinary Doctor Mrs. Geethanjali Rathod led the sessions. The doctor gave insights on technical proficiency in Dairy farm management

practices. Besides giving knowledge on different techniques of dairy farm management, the camp also provided candidates with training in artificial insemination, pregnancy diagnosis and milk handling. The participants cleared many of their doubts on animal healthcare, fodder production, importance of cattle vaccination and working of milking machines.

Live

MUTHOOT CAPITAL SERVICES LAUNCHES E-PAY FACILITY FOR CUSTOMERS

Muthoot Capital Services Ltd., the listed NBFC of the Muthoot Pappachan Group, has launched e-payment facility for its auto loan customers, with a view to ease transaction process in tune with the times.

The large number of two-wheeler loan customers of Muthoot Capital Services Ltd can now repay the principal and remit the interest in bulk or part through the e-payment facility that would make transactions faster and easier. The services

have been launched with the support of HDFC Bank, which owns the payment gateway.

Mr. Thomas George Muthoot, Managing Director, Muthoot Capital Services Ltd. said, "Ease of payment is as important as ease of getting a loan for a customer. The new service also reiterates our commitment to ensure maximum convenience to our customers. With this facility, our customers can now make payment into their two wheeler loan account,

either by using their Debit Card or Net Banking facility"

The e-pay facility will be made available on the website www.muthootepay.com where the customers can register themselves and make online payments, with just a click.

The 128-year-old Muthoot Pappachan Group had already introduced e-pay facility for the gold loan customers of its flagship company Muthoot Fincorp Ltd. from May this year.