



Accolades

MPG PLANS STRATEGIC INVESTMENTS IN FINTECH START-UPS



Mr Thomas John Muthoot – CMD, Muthoot Pappachan Group

Muthoot Pappachan Group, one of India's leading financial services conglomerates, plans to make strategic investments in fintech start-ups as part of a larger digital transformation exercise to drive synergies and profitability among its business units.

"We are talking to a number of proven start-ups in credit appraisal for our segment of customers, disbursements and collections. Any platform and solutions which will enable our go-to market strategy is our look-out", said MPG CMD Mr. Thomas John Muthoot.

The group might look to invest \$1-5 million in each deal. The premise of the effort is to familiarise itself with and adopt new technologies in financial services and modernise operations at the group level.

Muthoot Pappachan Group recently invested in two start-ups; peer-to-peer lending platform Faircent and RemitGuru, that offers online money transfer service to Indians settled abroad. "We have tie-ups with all major money transfer companies and are also a principal agent for Western Union..

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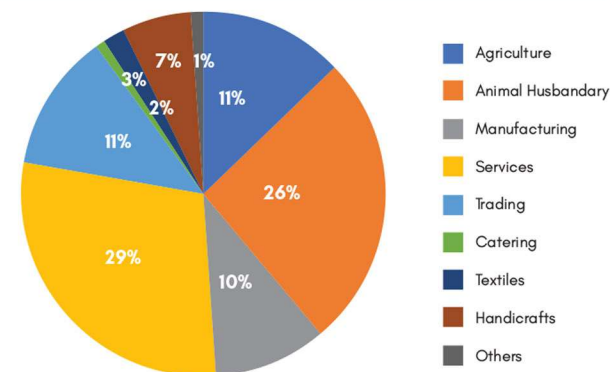
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Initiatives

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Client Portfolio Distribution by Activity



Facts and Figures

Group Lending

Districts	164
Branches	459
Centres	249396
Active Members	1245196
Disbursement (Dec)	₹ 243.27 Cr
Total Disbursement	₹ 10339.98 Cr \$ 1622.34 mn

MSGB Loans

Current Portfolio	₹ 199.95 Cr
Total Disbursement	₹ 666.47 Cr

Personnel Strength

Field Staff	5665
Total Staff	5846





Impact

PERSEVERANCE, HARD WORK PAYS OFF



Loan ID: ANSL@2/SC

Mahalakshmi A, dwelling at Kosapalayam in Pondicherry is a successful micro entrepreneur managing a small 'household items' store in her village. However, her journey to success wasn't a cake walk. Until 3 years ago, Mahalakshmi's husband Arumugam - who is a driver, was the only earning member of the family, and his income was too small to maintain the family consisting of two college going children.

The situation forced Mahalakshmi to do something of her own to improve the financial condition of the family. Following, she managed to open a small store near her home with some credit availed from a local lender. However, due to insufficient fund, the business remained gloomy. She was searching for another dependable investment and came to know about Muthoot Microfin from one of her neighbours.

Impressed by Muthoot Microfin's simple and effective operations mode, Mahalakshmi joined a Joint Liability Group

and availed the first cycle loan of ₹15,000 in quick time. With the money, she bought in more household items and filled in the shop. Her sales increased gradually and steadily with the introduction of plastic chairs, tables, mats, mops etc into the shop.

After promptly closing the first cycle loan, Mahalakshmi was offered the second cycle loan of ₹30,000. This time again, she utilised the entire amount to build stocks in her shop. She also received financial literacy and business acumen training from Muthoot, which helped her manage the business more efficiently. Gradually, her customer base increased and her daily profit reached around ₹850 from a meagre ₹150 at the beginning of the business.

She now saves money for her children's education and future needs of the family. Mahalakshmi says, "Muthoot Microfin helped me come out of the initial setbacks; and the company has shown confidence in me by giving me loans without any collateral".



News

- Opened 17 new branches across Kerala, Karnataka, UP, MP, Punjab, West Bengal and Rajasthan in December.
- MSGB Loans added 2,936 customers in December.
- MSGB Loans disbursed over ₹ 14.33 crores in December.
- IGL-Dairy added 804 dairy farmers in December, disbursing ₹ 2.46 crore.
- Dairy Loan outstanding as on 31st December is ₹ 46.69 crore from 35,305 Dairy Farmers.
- Training team conducted 338 internal training programmes in December.
- Total of 2,693 employees benefitted through the internal training programmes.



Certified Seal by Smart Campaign: A recognition to the alignment of the institution's policies and processes with the Client Protection Principles.



SEIZING THE RIGHT OPPORTUNITY



Loan ID: TJNB#940/ME

Ramjunisha Begum, a 33-year-old housewife, living at Thanjavur in Tamil Nadu is a fine example of success gained through perseverance and hard work. Ramjunisha used all her savings to open a small stationary shop near her home seven years ago. However, her business didn't grow from the initial stage as she hardly had any further money to invest in the shop for development. Her business remained dull with few stocks. When she came to know about Muthoot Microfin a couple of years back, she saw an opportunity to finally develop her business

Soon, she joined a Joint Liability group of the institution and availed the first cycle loan of ₹ 15,000. She invested the amount to build a better structure for the shop and bought in essential goods for the shop based on seasonal demand. The business slowly but steadily increased, and soon she witnessed a remarkable hike in her earnings.

After promptly closing her first cycle loan, Ramjunisha availed second cycle loan of

₹25,000 from Muthoot. She invested the amount to stockpile more commodities to expand her product line. Meantime, she also received financial literacy and skill training sessions from Muthoot. With hard work and growing experience, Ramjunisha successfully developed her business over time.

It has been nearly 2 years since Ramjunisha took her first loan from Muthoot and her business continued to grow from strength to strength. Ramjunisha's determination, along with a little financial support from Muthoot empowered her to grow her earlier dull business into a flourishing one. She now makes a daily profit of around ₹1000 and wishes to keep on expanding her business so that her only son has better opportunities in life.

Ramjunisha believes that Muthoot Microfin provides opportunities to women like her to improve their lives. She encourages other women to utilize their time and talents to create their own enterprise to succeed in life.



KALLAMBALAM, ANANDPUR PROMOTE DIGITAL FINANCIAL LITERACY

Muthoot Microfin's Anandpur branch in Odisha and Kallambalam branch in Kerala organised Digital Financial Literacy trainings to women aimed to promote awareness on the digital ways of doing transactions which essentially involves cashless transactions.

Further, facilities for spot opening of accounts, issuance of debit and credit cards, registration for mobile and e-banking services etc were taught at the venue.



Nearly 60 people participated in the programme at Anandpur held in association with Bank of Baroda, Anandpur branch on Dec 26, 2017. 125 people participated in the Kallambalam program, held in association with Dhanlaxmi Bank, Kallambalam on Dec 19, 2017.

Both the programs urge participants to act as agents of change in the society by making others also aware about the use of digital channels for making day to day transactions.



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so for inward remittance we will drive all major corridors into India through our branches. All future investments will similarly be in business areas where the group already has a presence", Mr Thomas John Muthoot added.

A key focus is technology solutions that will help the organisation disburse loans faster and conveniently to its target low-income customers. This will be achieved by exploring non-traditional data sources for credit appraisal, innovative repayment models and assistive technology solutions at branches.

Counted among India's largest non-banking financial services companies (NBFC) with total assets under management equivalent to ₹ 10,347 crore as of 31st March 2017, Muthoot Fincorp, the flagship company of MPG operates a network of 3,483 branches across 18 states.

"Being a legacy company with 130 years of continued existence and 25,000 employees across India, getting into new ways of doing business is paramount for us. What we have adopted is (a strategy) to prepare ourselves for the next generation," said Mr. Thomas John Muthoot. The group is

in the process of shortlisting consultants to advice on ways to digitise operations and improve profitability and collaboration across units. It is also building an internal data analytics division that will apply artificial intelligence and machine learning to better use data from 60,000-70,000 customer engagements its various businesses receive each day.

Besides Muthoot Fincorp, the group comprises a housing finance subsidiary, Muthoot Housing Finance Co. Ltd, publicly traded two-wheeler financing arm Muthoot Capital Services Ltd, micro finance unit, Muthoot Microfin Ltd and insurance broking firm Muthoot Risk and Insurance Broking Services Pvt Ltd, among some other non-financial business units.

The effort is also expected to increase operational efficiencies as it firms up plans for an initial public offering (IPO) of Muthoot Fincorp by 2020. Mr. Thomas John Muthoot added that Muthoot Fincorp recently got Reserve Bank of India's approval to open 200 more branches, a large part of which is planned in Northern and North-Eastern states. About 800 people will be hired as part of this expansion.

BRAHMAVAR, BARASAT OFFERS SKILL TRAINING TO WOMEN



Muthoot Microfin organised skill training workshops for women in Brahmavar (Karnataka) and Barasat (West Bengal) on Dec 19 and 23 respectively. The programs organised by Muthoot Microfin's Brahmavar and Barasat branches were aimed to provide entrepreneurial skill-training to rural women. Both the programs evoked good response from the local rural population.

In the first program held at Rudset Institute in Brahmavar on Dec 19, nearly 80 people participated and benefitted from skill training in embroidery, phenol making, candle and soap-making in addition to special training in cattle rearing.

Meanwhile, Barasat branch organised workshop on handicrafts and nearly seventy people from the locality attended the first ever community outreach program organised by the branch. At the completion of training, a certificate along with counselling on self-employment avenues was provided to all the participants.

Muthoot Microfin has been organising handicrafts and skills development trainings for rural women across its operating areas, empowering hundreds of women to find self-employment.

