



Accolades

MUTHOOT MICROFIN RAISES ₹165 Cr THROUGH NCD ISSUE



Muthoot Microfin Limited, the microfinance arm of Muthoot Pappachan Group has raised up to ₹165 crores through the issue of non-convertible debentures (NCDs). The fund has been raised by issuing NCDs on private placement basis.

The NCDs — which have been rated 'A-stable' by CRISIL – implies a high degree of safety regarding timely servicing of financial obligations and low credit risk. The private placements made with an international agency and a national player was issued in 3 transactions and has maturity tenures of 5 and 3 years.

The debentures are being listed in Bombay

Stock Exchange. The net proceeds of the issue will be used for funding business growth. IFMR Capital is the lead managers to the issue.

Mr. Sadaf Sayeed, CEO – Muthoot Microfin said, "This fund will be used to further push our business growth and expansion, we are already one among the fastest growing MFIs in India. The successful execution of these transactions reflects the trust of foreign and local investors on our Company and Muthoot Pappachan Group. The issues were finalised after conducting thorough due diligence of our operations."



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M Observatory

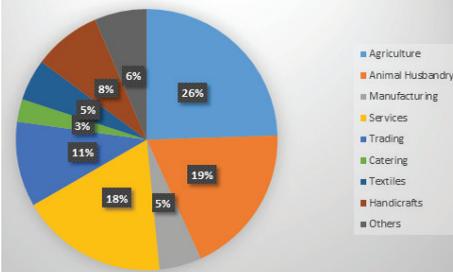
M Impact

M News

M Initiatives

Observatory

Portfolio Distribution by Activity



Facts and Figures

Group Lending

Districts	118
Branches	364
Centres	1,71,614
Active Members	12,51,706
Disbursement (November)	₹ 34.45 Cr
Total Disbursement	₹ 7446.49 Cr \$ 1098.89 mn

MSGB Loans

Current Portfolio	₹ 167.44 Cr
Total Disbursement	₹ 443.74 Cr

Personnel Strength

Field Staff	4615
Total Staff	4782



**M** Financials**M** Impact**BEAUTIFUL TURNAROUND IN LIFE**

Loan ID: FRKE@113

Sindhu Ajeesh, a 36-year-old from Feroke, Calicut in Kerala was a small-time textile vendor until a couple of years ago. Sindhu, the mother of three teenage children always wanted to contribute to her family as her husband Ajeesh had no stable income. Sindhu started her readymade garment business 3 years ago. She used to buy garments in bulk and sell it through household visits with a minimum profit. However, the business never flourished as sales quantity and margin were minimal.

The situation prompted Sindhu to look for something else and when a friend of her suggested opening a beauty parlour, she jumped on at the idea. Two years ago, she had attended a beautician course organized by the local administration. Running her own beauty parlour would be a dream comes true for Sindhu. However, it required a reasonable investment to start off. Sindhu was dejected for a while failing to raise money. She heard about Muthoot Microfin and was immediately interested in its services. It was one of her neighbours, who was running a small business with Muthoot loan informed her about the institution.

Sindhu soon joined a group and was granted the first cycle of loan of ₹10,000. She utilised the entire amount to rent a shop near her home and bought enough materials to start off her small beauty parlour. Her business grew gradually on quality service and competitive prices.

Going ahead, Sindhu took out three subsequent loans of increasing amounts from Muthoot Microfin. She also attended a skill development training organised by Muthoot. Her latest loan of ₹45,000 enabled her to offer more services in the parlour and to hire an employee. Meanwhile, she also managed to run her textile business parallelly with the help of her husband and 7 employees. She now plans to expand her business by attracting more customers and employ more staffs at the parlour.

A thankful Sindhu who is one of Muthoot Microfin's most successful clients says "Muthoot Microfin helped me at a crucial time and I am really happy with their professionalism; I would recommend Muthoot to anybody who wants to succeed in their life".

- Total profit (EBIT) for FY 2016-17 as of October 31, 2016 is at ₹201.61 crore.
- Total profit (EBIT) for the previous fiscal same period was ₹200.48 crore.
- The profit increased 1% in October, 2016 year on year.
- Operational Income for FY 2016-17 as of October 31 is at ₹274.27 crore.

M News-Highlights

- Opened new branch in Elanji (Kerala)
- MSGB Loans added 1,760 customers in November.
- MSGB Loans disbursed over ₹7.93 crores in November.
- IGL-Dairy added 232 dairy farmers in November, disbursing ₹71.20 lacs.
- Dairy Loan outstanding as on 30th November is ₹73.86 crores from 55941 Dairy Farmers.
- Training team conducted 215 internal training programmes in November.
- A total of 1843 employees benefitted through the internal training programmes.



TACTICAL CHANGE BRINGS SUCCESS



Loan ID: VKNM@581

Hamsath Sathar is a 33-year-old housewife turned small entrepreneur from Koonamthanam in Kottayam district of Kerala. Hamsath has been a partner of Muthoot Microfin since 2014 and began poultry farming not only with Muthoot's loans but also with the training she received in poultry farming from the company. Earlier, she used to run a goat farm but without much success. However, when she decided to switch her business with the support of Muthoot, everything changed for good.

Hardly five years ago, she decided to start a goat farm with the little savings she reserved for years. She began to sell milk to nearby homes and to some tea shops on the street. The work was tough, though this helped to feed her growing children, she couldn't afford more expenses. To make matters worse, two of her goats died suddenly and milk supplies from other goats shrank drastically resulting in huge revenue losses.

At this crucial juncture, an RO from Muthoot Microfin visited her house as part of street survey and explained the

institution's loan schemes. Desperate to survive in the life battle, Hamsath immediately joined a group and was provided with first cycle loan of ₹10,000. She invested all the money to make a shed to start chicken farming near her home and bought high breed chicken from a nearby hatchery. Her farm grew in quick time as she also received training from the institution. With the help of a second loan, she expanded her farm by adding higher breed chicken. She now receives 50 eggs a day and sells them to nearby market at ₹6 per egg. The chicken farm allowed her to fully repay the loans and her daily income from the farm averages at ₹350 for the last few months; enabling her to contribute to the expenses of the household, particularly expenses related to schooling and the everyday needs of the family of five.

She now has a poultry stock of 100 chickens that including some turkeys. Her ambition for the future is to expand the size of her farm over the next two years to reach 500 heads of poultry. Hamsath now has a great influence on her fellow villagers with her successful business.

WOMEN LEARN TAILORING SKILLS AT BHANDARA CAMP



In order to create employment opportunities for women in rural areas, Muthoot Microfin's Bhandara branch in Maharashtra organised a single-day training in tailoring skills on December 10, 2016.

More than 80 women participated in the free training camp held at Sai Plaza, Bhandara. Renowned Social Workers Mrs Pushpa Meshram and Mrs Hemlata Gajbhiye led the training sessions. They said these training programs play a vital role in strengthening women financially and will create confidence in them.

Skill training in stitching, embroidery and dress cutting were organised at the camp. All the participants enthusiastically participated in all activities and thanked Muthoot Microfin for organising the camp.

Through its wide range of Community Outreach initiatives and particularly through skill training camps, Muthoot Microfin aims to provide competencies and skills that enable women to become self-employed entrepreneurs.



MUTHOOT MICROFIN DIGITALISES LOAN COLLECTION

THE ORGANISATION'S EFFORTS TO DIGITALISE ITS PROCESSES FALL IN LINE WITH GOVERNMENT OF INDIA'S DIGITALISATION POLICIES



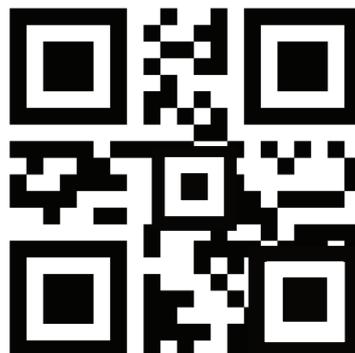
The QR Code based mobile collection system, developed by the in-house IT team of Muthoot Pappachan Group has helped the company to prevent many frauds and manipulation that might have occurred during collection and accounting.

Thousands of customers across the nation repay under various segments of loans in Muthoot Microfin on a daily basis. The collection of these payments and accounting the same in the books were a hectic task for the collection agents as well as the branch staff.

Some branches were not able to close the day's business on a regular basis, as the money did not come from the field on time and it was not updated in the books because of that.

With the introduction of QR collection technology, overall productivity of branches improved considerably. All Relationship Officers of Muthoot Microfin were provided with mobile handheld

“The Introduction of QR Code technology in collection has helped to ease loan collections of Muthoot Microfin in a big way”



devices. In the morning, Relationship Officers take print outs of all group's QR code information and scan the QR code to know customer details. On accepting the amount, the Relationship Officer scans the QR code with the application. Immediately the customer will get a message of the amount credited and at the same time, the branch will get a voucher saying that the amount has been collected from the customer. Finally, when the Relationship Officer visits the branch in the evening to deposit the amount, the branch staff log into the web portal and check the amount which has to be deposited. Before the adoption of this application, the collection staff needed to enter each customer's details from a single centre to the collection book and also into the system. Everything can be done with the touch of a button. With the introduction of QR code in collection, the productivity has increased by 50%.