



Muthoot

Live

A BIMONTHLY NEWSLETTER
from
MUTHOOT PAPPACHAN GROUP

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Jab zindagi badalni ho

Communique



Message from the Desk of Executive Director

Dear Muthootians,

I congratulate the Muthoot Microfin Team for the tremendous performance during FY 2016-17.

The year was tough with many macro and micro economic challenges, over and above our internal tasks. Transferring of the portfolio to Muthoot Microfin Ltd. (MML), raising external capital, raising large debt, and managing to obtain an independent rating, to mention a few. But the MML team came out with flying colours. I thank each one of you for your contribution, and also acknowledge and appreciate the support that we received from the Muthoot Pappachan Group (MPG) Companies, particularly MFL, MPT and MCSL. We are grateful for their continued support at all levels. Let me share the major highlights of the year.

- MML was able to raise a \$20-million investment from US-based private equity firm, Creation Investments LLC. This is the first time that the Group has partnered with external investors. The success of this investment reflects the sentiment, trust and confidence that the investor community has in MPG. It is a significant milestone for the group and an indication of things to come.
- MML is now the fourth largest NBFC-MFI in the country, and the largest one operating out of Kerala.
- The rating agency, CRISIL, reaffirmed its faith in MML's operations during the year, with an MFR-2 grading for its

microfinance operations. We also managed to maintain our long-term debt rating at A.

- Another major feat was the listing of MML's non-convertible debentures (NCDs) worth Rs. 205 crores, on the Bombay Stock Exchange (BSE) during FY 2016-17. The issue was subscribed to by foreign institutional investors such as Blue Orchard (\$20 million), and domestic institutions such as Hinduja Leyland Finance and IFMR.

Operational Highlights

- During FY 2016-17, MML disbursed loans worth Rs.2,028 crores. This was a whopping 165% growth over the previous year's disbursements of Rs.765 crores.
- MML's assets under management (AUM) reached Rs.1,774 crores from Rs. 653 crores in the previous year, a growth of 171% over the previous year's figure.
- MML expanded its operations in 11 states including Kerala, Tamil Nadu, Karnataka, Maharashtra, Goa, Pondicherry, Gujarat, Odisha, Madhya Pradesh, Uttar Pradesh and Haryana.
- MML now operates with 386 branches across the country, serving 7,65,541 active households. In addition, it served 60,000 MSGB customers and more than 3,88,000 customers in MMM book, taking the total tally of active clients to 12,13,343 households.

- MML now enjoys funding relations with 33 financial institutions, including 12 public sector banks, 15 private sector banks and six NBFCs. This financial year, MML was able to raise debts worth Rs.2,029 crores.

Also, we did Rs.610 crores worth of PTC transactions, Rs.485 crores of DA transactions, Rs.205 crores of NCDs, and raised Tier-II capital of Rs.25 crores.

- MML revenue has grown from Rs.52 crores to Rs.245 crores, and the consolidated revenue (MFL + MML) has

increased from Rs.434 crores in the last year to Rs.450.75 crores in FY 2016-17.

- Overall, the MML team manages AUM of Rs.2,306 crores, of which Rs.1,774 crores is under MML, Rs.333 crores under MMM, Rs.182 crores in MSGB, Rs.16.62 crores under YBL-BC partnership, and Rs.1 crore under MCSL.

Thomas Muthoot
Executive Director
Muthoot Pappachan Group

Reinvigorating the Spirit of Environmental Stewardship

Dear Muthootians,

Did you know that corporates cause \$2.2 trillion worth of damage every year? Can we do something to reduce this? How can MPG be different?



As a responsible corporate conglomerate, we should inculcate the culture of efficient use of resources, which is an essential part of business sustainability today. This can come about by intelligently digitising the system and serving customers more productively, which may help in minimising the impact on the environment and lead to cost reduction, and eventually towards business profitability. Above all, it is to raise awareness and consciousness in ourselves and in society. Identifying and assessing the environmental impact of business activities has to be followed by every organisation to decrease carbon footprints. Every month, we spend on an average, Rs.1.55 crores on electricity, Rs.45 lakhs on stationery and papers, and likewise for other resources across MPG. These numbers make us wonder if we are using our resources efficiently. Can we make a change in this?

To achieve this noble aim of taking care of the environment we live in, Team Cre8 has initiated an eco-friendly programme - "Prakruti" - to promote the attitude of giving back to society. As a growing business with presence across India, and with 17000+ employees, we will surely make a significant positive impact on our environment, especially by optimising our usage of resources.

The objective of Prakruti is the conservation of utilities and the reduction of wastage on all biodegradable products. A campaign aimed at creating awareness among our employees on the importance of environmental conservation shall be initiated in this programme. To be more effective, Prakruti will work in association with our CSR team, to engage in many future endeavours.

"The earth is what we all have in common, therefore it's time we take tiny steps to preserve our only home."

Thomas John Muthoot
Chairman & Managing Director - Muthoot Pappachan Group

Muthoot Gold Point: A Customer Empowerment Initiative



Customer empowerment was the driving force behind the Muthoot Gold Point (MGP) business initiative.

In India, customers do not have a transparent mechanism to sell their gold. People usually sell gold at the shop that they purchased it from. However, they may not always have a pleasant time selling it back. The supplier first tries to push an exchange scheme, and if not successful, offers an amount as buy-back value, without giving any details. This non-transparency, especially among unorganised retail players, leads to a sizeable reduction in the buy-back value. Also, gold assessment methodologies are outdated and subjective.

MGP bridged this gap by building a standardised, transparent and scientific platform for customers to sell gold. The business was built on the premise of empowering customers with information about their own gold, so that they can take informed decisions while selling gold.

At MGP branches, customers are offered a free service, where an ultrasonic machine that ensures zero gold loss, cleanses their gold. The gold is then weighed before the customer on a weighing machine that reads up to 3 decimal points. Unorganised players usually round off the weight to the lower denomination.

Next, the gold is assessed before the customer, using a state-of-the-art XRF machine that detects the exact purity of gold along with 20 other elements. This too is conveyed to the customer.

If a customer agrees, a written consent is acquired and the gold is melted, again in the customer's presence. Before melting, stones, if any, are carefully removed and handed over to the customer. Finally, the customer is intimated on the prevailing buying rate per gram. Typically, market players display only the selling rate and never the buying rate. With these three pieces of information, we empower customers to be conversant with their gold's sale. They may still choose not to sell their gold to us, but at least they become fully aware of their gold's true value. Except for a

token amount charged for melting, the entire assessment process is free. A small fee is charged if a customer chooses to sell gold at MGP.

By opening such a platform, MGP has provided a game-changing solution to the Indian gold recycling industry. Muthoot Exim is the first national level player to venture into this business.

This business idea was also conceived to provide additional synergies for our Group.

- It provides a group-level resource for Muthoot Fincorp and other Group Companies to scientifically assess gold, for high-ticket gold loan transactions.
- It is in sync with the Government of India's vision to reduce the country's over-dependence on gold imports. Currently, there is gold amounting to approximately 20,000 tonnes (1 tonne = 1,000 kg) within Indian households and temple trusts. Conservatively, even if 1% of this gold is formally recycled, it will reduce the annual import by 20-30%.
- Eventually, it helps us complete the full circle for the Precious Metals business vertical. The gold purchased via MGP can be used to manufacture and supply SwarnaVarsham jewellery and coins.

Today, with 11 MGP branches across India and one mobile van, we have purchased more than 400kgs of gold. The mobile van began operating on a pilot basis six months ago, with the objective of providing door-to-door service for our customers, in line with our Group's vision. Our aim is to open eight to 10 more branches/ mobile vans across India in the next two years.

Keyur Shah
CEO, Precious Metals Business - Muthoot Pappachan Group

Mr. Kannan will be Missed

This May, Muthoot Fincorp Ltd. (MFL) endured one of its worst losses — the sad demise of its Executive Vice-President (EVP), Mr. S. Kannan.



S. Kannan

Mr. Kannan was an adroit leader and gave his best to improve prospects for the Group's businesses. In his short stint of four years with MFL, he left his distinctive stamp on everything he did. He was quick in understanding the gold loan business, and swift in bringing it back on track when things went haywire following the demonetisation mayhem.

Mr. Kannan's contributions to MFL were many. We acknowledge his dedicated service, and are grateful and indebted to him. His untimely death is a huge loss for each and every Muthootian. May his soul rest in peace.



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Muthoot Live



A Little Foresight Goes a Long Way

There is a popular saying about health insurance that goes, "Buy health insurance when you do not need it because you may not get it when you need it." Ms. B. Sunitha of Moosapet, Hyderabad would readily testify to the truth of this in the light of her experience.

Sunitha has been a loyal customer of the MFL Kukatpally bus-stand branch for quite a while. She is a home maker, and lives with her husband, Mr. B. Sridhar, a businessman, and the couple has two daughters. The MFL Kukatpally branch manager repeatedly tried to convince Sunitha of the advantages of Apollo Munich, our health insurance product. But Sunitha always saw health insurance as an unnecessary expense.

One day, Sunitha came to the branch with a broken arm. She had slipped in the washroom and the whole affair cost her Rs.20,000. The manager brought up Apollo Munich once again, explaining to Sunitha that she could easily have retrieved all that money if she had taken the policy and paid a small premium every year. That is when the idea of health insurance made full sense to Sunitha.

After discussing with her husband, the two were finally convinced to take the policy. They chose the Apollo Family Floater (2+2) plan with a cover of Rs.3,00,000.

It was a broken arm that made Sunitha's family take a policy. In three months, Sridhar was diagnosed with an intestinal problem. They went to a hospital that insisted on the medical expenses being settled immediately. Sunitha called the MFL Kukatpally manager, asking if the health insurance could be of any

help. The manager went to the hospital, had a word with the insurance help desk, and made arrangements for cashless treatment.

Sridhar thus received quality treatment. The hospital bill added up to Rs.90,000, of which the family did not have to pay a penny from its pocket. Everything was covered under the Apollo Munich Family Floater plan. Sunitha was able to claim a total of Rs.45,000 after two months, since expenses for up to 90 days post-hospitalisation are also covered by Apollo Munich.

Sridhar is now all well and good, and this includes his finances. The unexpected healthcare expenditure did not severely affect the family, thanks to MFL Kukatpally, says Sunitha. She and her family are now keen on not only renewing the insurance without fail, but also encouraging their relatives to buy insurance.

Sunitha now knows how grave the situation can get if one does not have financial support. As the popular adage says, you may not get it when you truly want it.



Mr. B. Sreedhar & Ms. B. Sunitha

Introducing our new leaders



Mr. Vasudevan Ramaswami

Mr. Vasudevan Ramaswami (Vasu) joined Muthoot Fincorp Ltd. as Chief Operating Officer (COO) in the month of May. Vasu's experience spans over three decades with leading companies like L&T Finance, Reliance Retail, CFC India Services Pvt. Ltd., TCS, Principal Asset Management Company, American Express Bank, Bank of America and Citibank N.A. Over the last 12 years, he has held several senior leadership roles including CEO – L&T Housing Finance, Group Head – Operations & IT – L&T Finance, COO – Reliance Retail, and CEO – CFC India Services.

Vasu comes to MFL with a mandate to enhance and drive execution on the ground, with a focus on Profitability, Digitalisation and Collaboration. This will be across products, processes and businesses, and with seamless collaboration across the MPG companies to leverage the network of MFL. He will review, improve and reconstruct our current systems, processes, policies and rules, to ensure that we set new standards in customer satisfaction and retain our competitive advantages.

Welcome aboard, Vasu. We wish you a long and fulfilling career at MFL.



Col. Deepak Raina

Col. Deepak Raina (Retd.), joined MPG Security Group (P) Ltd., as Chief Operating Officer. He has over 37 years' experience in handling senior leadership roles with major companies like G4S Secure Solutions (India) Private Ltd., TOPSGROUP Total Security Solutions and ISS SDB Security Services Pvt. Ltd.

For nearly 25 years, he has been a serviceman with Indian Army, and has handled numerous challenging assignments including critical military operations. Several honours have come his way – President's Bronze Medal at National Defence Academy, Special Service Medal for OPS Rakshak and OP Parakram Medal, to name a few.

Welcome aboard Colonel. Wish you a long and fulfilling career with us.

The Unsung Hero of ISRO Speaks



Speaker Mr. Nambi Narayanan, Former Scientist - ISRO

The seventh lecture in the Mind to Minds series was delivered by Mr. Nambi Narayanan, one of the best cryogenic engineers that India has ever produced, and a former scientist with the Indian Space Research Organisation (ISRO).

Mr. Narayanan, without whom our PSLV, Chandrayan, and Mangalyan would not have existed, was accused of espionage in 1994 — a charge that later turned out to be false. It was his faith in the unexplored potentiality of our indigenous technological know-how that made Mr. Narayanan turn down the US citizenship he was once offered. And it is a reprehensible irony that he was charged with espionage in his own motherland. However, he confronted what befell him with grace. His lecture expatiated on two intriguing topics — rocket science and the sky-high fortitude with which he fought adversities.

Having done his mechanical engineering from Anna University, Mr. Narayanan headed for Princeton University to specialise in Chemical Rocket Propulsion. He was unhesitant in taking risks, right from his engineering project to professional decisions. And this was always rewarded.

In his words, "I had a fascination for space-related activities. When I did my final year engineering, I chose a project called Axial Flow Compressor. Generally, in engineering, two or three students do a project together. I was very particular that I do it alone. It was a one-year time frame. My professor told me it was going to be impossible, that I couldn't do all these things in one year. I told myself that if it is that impossible, let me prove that it is possible. So, I worked for that and I proved it was possible. And that project work was considered one of the best works for so many years to come."

Mr. Narayanan showcased the same spirit when it came to his specialisation at Princeton. In Chemical Rocket Propulsion, he focused on Compression Instability. Instability itself is a complex subject, and compression is another complex subject. Later, Mr. Narayanan made it to the ICRPG global list of 26 Experts in Instability. It was evident from his speech that the space science fraternity was not at all surprised when he easily predicted the instability problems that the lunar module would have.

Mr. Narayanan recalled his good old ISRO days with Dr. Vikram Sarabhai, Dr. Satish Dhawan, Prof. U.R. Rao and Dr. A.P.J. Abdul Kalam. He said that he considered Dr. Sarabhai, Dr. Dhawan and Prof. Rao as the three stalwarts who moulded today's ISRO. Mr. Narayanan was the first Project Director for the Cryogenic Propulsion System, and was Project Director for the second and the fourth stages of the PSLV. "I claim more credit for the second stage of the PSLV, which behaves impeccably well, without even a single failure till date — 37 launches," said Mr. Narayanan.

Incorporating built-in reliability in the PSLV design was yet another great accomplishment. "Be prepared for the unexpected and the worst and seek solutions well in advance" was his strategy. In short, he foresaw all the possible problems likely to surface at the time of the launch, and made built-in solutions for overcoming them, thus enabling the flawless launches that we know of today. "It is not the vision that matters, but the kind of work you put in there," he observed.

An organisation might seem excellent to the world outside. But nobody knows the kind of difficulties or problems that in-house people put up with on a day-to-day basis. Mr. Narayanan said that ISRO was no different, and he summed it up in a few words: "Suppose I had to put in an effort which is equal to x to execute the PSLV's second stage, the administrative and other problems I faced would be at least $10x$." He added that he felt the greatest challenge faced by the propulsion system experts is finding a high-energy propulsion system that will enable us to reach a very high altitude at a very high speed.

Speaking about the case, he said it might superficially look like a plot to bring down one chief minister, corrupt a police officer, or serve the twisted interest of a media baron. But we must know that the picture is quite larger than that.

ISRO had two goals, said Mr. Narayanan — to be self-sufficient, and to go commercial. He was mainly involved in actualising the latter. We would have been a super space power if we could go commercial, since our cost in terms of geo-synchronous orbiting is roughly one-third the cost of France and the US — the current two super space powers. This kind of business is possible only with the backup of cryogenics. But the technology transfer agreement ISRO had with Russia, which aimed at enabling cryogenic technology flying, got delayed for 15 years by the espionage case. "No country likes it when another country excels," he remarked.

Later, Mr. Narayanan elaborated on brain drain - "A good engineer is a good engineer, no matter where he comes from. But we do not dedicate ourselves to our duty in the system we have". He asked the audience to ask themselves how many of them were punctual, how many of them were dedicated to their job, how many respected their job, and how many were proud of it and loved it. Answering these simple questions would make a big difference, he said.

He added that many of us do not work for money alone. What we all need, over and above money, is recognition. When asked how he managed to overcome the impasse, Mr. Narayanan replied with a smile, "If you are put in a very difficult situation, you will learn to face it."



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Muthoot Live



CSR Update Vadodara Mission: 61 Successful surgeries in 4 days

MPG's CSR Team continues to spread smiles. The first mission in Gujarat during the last week of March 2017 turned out to be a grand success at ISHA Hospital, Vadodara. 128 Patients were screened and 61 surgeries were performed in just 4 days. The mission was inaugurated by Mr. Thomas George Muthoot (Director, Muthoot Pappachan Group). With this, the number of total surgeries performed at the end of FY 2016-17 hits 1119.

Muthoot Pappachan Football Academy: Trial camps held

The admission process for Muthoot Pappachan Football Academy has commenced, with trial camps initiated at Calicut, Cochin and Trivandrum. 4200 Kids

participated from across Kerala, out of which 46 were selected under the categories U-13, U-15 and U-17. The first batch of the residential course will commence in June.

Muthoot Pappachan Academy for Skill Development and iLEAD Vocational Training Centres: Admissions open

Admissions are open in Muthoot Pappachan Academy for Skill Development, Cochin. The first batch will commence training in the second half of June. The courses that span 3 months will equip the candidates to be eligible for better and more inclusive jobs. Graduates within the age group of 18-25 can apply for the courses.



Former KBFC Coach Terry Phelan giving football tips to the budding players.

MML Bringing More Accolades

Muthoot Microfin Ltd. bagged the prestigious Client Protection Certification, an international recognition issued by The Smart Campaign — a global coalition of microfinance institutions. The certification honours financial institutions that ensure prudent, transparent and respectful treatment of clients. For MML, this acknowledgement reflects the strong commitment from management to promote growth, and institutional development within a client protection framework.

Congratulations Muthoot Microfin! In times when the credibility of existing MFI growth models are at stake, this recognition — in addition to the CRISIL top COCA rating — is proof that the company is growing and expanding business in the healthiest way, while taking care of clients and building a sustainable business model. A tremendous feat, indeed. MML will make it to the Smart Campaign's website as a Client Protection Certified microfinance company. Soon, investors, donors and regulators will recognise the company as an organisation that puts its clients first.



Mr. Tojo Jose

Congratulations

We are delighted to let you know that the Confederation of Indian Industry (CII)'s Kerala Chapter has invited MPG CHRO, Tojo Jose, to be the Co-convenor of its Education, Skill Development and Entrepreneurship Panel for the state during 2017-18. He has accepted the invitation.

his team will be identifying certain focus areas and concentrating on specific deliverables for the development of the state. The CII understands that an efficient expert panel deserves a person with Mr. Jose's leadership credentials to efficiently execute its agenda.

CII's theme for 2017-18 is "Underdevelopment". Mr. Jose and

Way to go, CHRO. MFL wishes you the very best in your endeavours.

BIRTHDAY CELEBRATION OF OUR DIRECTORS



Muthoot Live

In focus

ENCOURAGEMENT AND ACHIEVEMENT. IT'S A WINNING COMBINATION.

Congratulations to Alwin Francis and Koro Tarun for winning the Men's Doubles gold medal.

Muthoot Pappachan Group (MPG) has always promoted young talent in the field of sports. Alwin Francis is one such player who was sponsored by Muthoot Pappachan Foundation, to participate in the ATP Tennis International (Bukitragas, Chubbuck, India & USA).

MPG is proud to announce that Alwin Francis and his partner Koro Tarun, won gold for the Men's Doubles Title in the tournament. In the final, Alwin and Koro defeated Mateo Cano and Diego Mill of Peru (21-25, 21-25). We congratulate them for winning the 'Two Emeralds' and to win this title.

As we celebrate their victory, we are also motivated by the fact that with the support of Muthoot Pappachan Group, they have achieved a historic 2nd place in the ATP Tennis International.

WHEN YOU GIVE YOUR BEST, YOU'RE SURE TO ACHIEVE THE BEST.

Congratulations Muthoot Honda, Kollam Team!

When you put in a 200% effort, the results cannot be any less than 200%. Congratulations to the staff of Muthoot Honda, Kollam, for achieving the highest sales for FY 2020-21 and becoming 200% successful in achieving their targets. We are sure that the team will continue to give their best and achieve greater success in the future.

WHEN YOU SATISFY CUSTOMERS, YOU GUARANTEE THEIR LOYALTY. WHEN YOU WIN AWARDS, YOU GAIN OUR RESPECT.

Congratulations on winning the Customer Satisfaction Index Award 2017.

In all our endeavours, we strive towards satisfying our customers and ensuring their loyalty. And when we are recognised for doing so, it means we are on the right path. We congratulate everyone at Muthoot Honda Cochin, for winning the Customer Satisfaction Index Award 2017. Because, when you ensure customer satisfaction, you build long-lasting relationships. And when you win awards, you build a lifetime of trust.

Leadership Development Programme

Muthoot Culinary Challenge

THE SHOW MUST GO ON!

KRIPA CINEMAS IS BACK.

KRIPA Cinemas, owned by Muthoot Pappachan Group, is back and ready to entertain you. The all new multiplex has been built in a modern, sleek and with state-of-the-art technology and with all the latest technology. Experience the 3D cinema, the comfort of AC, the convenience of the multiplex, and the entertainment of the multiplex. All this and more, all in one place. Experience the new multiplex at Kripa Cinemas, located at the heart of the city. The multiplex is a perfect blend of modern architecture and entertainment. The multiplex is a perfect blend of modern architecture and entertainment. The multiplex is a perfect blend of modern architecture and entertainment.

WE PROTECT OUR MOST VALUABLE ASSETS - OUR CLIENTS.

Muthoot Microfin is awarded the prestigious Client Protection Certificate.

Client Protection Certificate awarded to Muthoot Microfin for its commitment to protecting the interests of its clients. The certificate is awarded by the National Consumer Helpline for its commitment to protecting the interests of its clients. The certificate is awarded by the National Consumer Helpline for its commitment to protecting the interests of its clients.

MPG ropes in Phelan for its new football academy

try-outs for admissions from today

Muthoot Pappachan Group (MPG) has roped in Terry Phelan, the former in-charge of Kerala football, as the technical advisor for its new football academy. Terry Phelan, who has over 20 years of experience in football, will be leading the academy. The academy will provide a platform for young footballers to showcase their talent and receive professional training. The academy will provide a platform for young footballers to showcase their talent and receive professional training.

Muthoot Capital grows by 62% in Q3

Thomas George Mohnot, Managing Director, and Vinod Panicker, Chief Finance Officer, Muthoot Capital Services Limited at the press meet.

Thomas George Mohnot, Managing Director, and Vinod Panicker, Chief Finance Officer, Muthoot Capital Services Limited at the press meet. They discussed the company's performance in the quarter ending March 31, 2020. The company has recorded an overall AUM of Rs. 11.12 crore, recording a growth of 62% over the last year. The total income increased to Rs. 79.86 crore during the quarter ending March 31, from Rs. 43.40 crore during the quarter ending March 31, 2019, registering a growth of 26%.

Back to the golden era

Kripa Cinemas is back to its golden era. The multiplex has been built in a modern, sleek and with state-of-the-art technology and with all the latest technology. Experience the 3D cinema, the comfort of AC, the convenience of the multiplex, and the entertainment of the multiplex. All this and more, all in one place. Experience the new multiplex at Kripa Cinemas, located at the heart of the city. The multiplex is a perfect blend of modern architecture and entertainment. The multiplex is a perfect blend of modern architecture and entertainment.

WINNING IS A HABIT!

When you get an award for three years consecutively, winning becomes a habit. We congratulate everyone at Muthoot Honda Cars, Kollam, for winning the Quantity & Quality award for the third year in a row and thank you for your hard work and dedication.

MPG Chairman & Managing Director Mr. Thomas John Muthoot at INK Talks on going extra mile to provide financial and non banking service to low income customers.

Vadodara Smile Please Mission at Isha Hospital

We value your Feedback. Please write to us at muthootlive@muthoot.com

muthoot FINCORP

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