



The Muthoot Group

# Muthoot News

A QUARTERLY UPDATE ON THE LATEST HAPPENINGS AT MUTHOOT GROUP

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FOR PRIVATE CIRCULATION ONLY

## Chairman's Message

### *Let us transform the 'present' to pave the way for a brighter 'Tomorrow'!*

It is often stated that 'attitude determines one's altitude'! This observation is indeed pertinent for it is only an indefatigable commitment to self-improvement and a spirit to challenge the unchallenged that achieves positive results. Persistent efforts backed by a strong action of rising up to achieve greater heights are the essentials for moving towards progress. I accordingly urge each one of you to remember, that it is the present that counts towards building a brighter future. We thus need to raise the existing bars of our performance to greater levels of achievement. It is only then that we can achieve even the seemingly impossible. I take this opportunity to showcase as to how we rode our strengths and fared in our business processes in the recent months. I am humbly proud to announce a 48% increase in the net profit of Muthoot Finance that stands at Rs. 270 crore for the quarter ended June 2016. This is in comparison to Rs. 183 crore same quarter last year. Retail loans too have seen an increase by Rs. 1481 crore during the quarter as against Rs. 1000 crore last year. This refers to an increase in growth rate of 48%. Assets Under Management have increased by 6% at Rs. 25,860 crore at the end of June 2016 in contrast to Rs. 24,409 crore last year.

CRISIL has upgraded long-term debt rating of Muthoot Finance from 'AA-/STABLE' to 'AA/STABLE'. Under short term debt rating, Muthoot Finance already has highest rating under that category from ICRA with 'A1+' rating. Long-term debt rating covers debt instruments of above one year. Short term debt rating covers debt instruments of up to one year. This is indeed creditable as 'A1+' rating implies that 'Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk'. CRISIL in its rating rationale has stated that 'The upgrade reflects the resilient business risk profile of Muthoot Finance as demonstrated during the past few years during which the gold loan sector went through challenging times, and the company's strong earnings profile. The rating upgrade also factors in a stable operating environment with an established regulatory regime.' Further, Muthoot Finance completed the acquisition of Muthoot Insurance Brokers Pvt Ltd., an IRDA registered Direct Broker in insurance products, as a wholly owned subsidiary. Asia Asset Finance Plc, our subsidiary company in Sri Lanka also witnessed an increase in its loan portfolio by 50%. In the microfinance business, with a fresh capital investment of Rs. 40 crore, we have upped our stakes in Belstar Investment and Finance Private Limited (BIFPL). Today we hold 46.83% stake in the company. Muthoot Homefin, with its focus on affordable

housing increased its loan portfolio by Rs. 14 crore there by establishing its credentials. This is testimony to an increase in profitability and business growth and can be attributed to total revamp in collection mechanism, structural changes in operations and improved customer sentiment due to better practices. As a corporate social drive initiative, Muthoot Finance guided the renovation work of the Eye Care Block of The General Hospital, Ernakulam. With this, patients coming for ophthalmological care in the hospital are assured of better facilities and care.

I would like to emphasize that in today's dynamic business landscape, it is imperative that we are aware of the changes occurring in the ecosystem and adjust our business strategies accordingly. We, as leaders, must not only do our job with utmost sincerity and passion, but also keep learning and reinventing ourselves. Success depends on our ability to tackle the NOW and the present for it is the strong foundations of the present that will become the foundation for a strong tomorrow.

Best Wishes,

**M. G. George Muthoot**  
Chairman



### Half Marathon



NSS unit and Dept. Of Physical Education of MITS organised a Half Marathon on the National Sports day. The

marathon was flagged off by Dr. Ramkumar S, Principal, MITS. Ms. Dhanya S. (HOD, ECE), Mr. Eldho Joy, Physical Education Director, Mr. Rohit Nair, Ms. Remya Krishnan, NSS Volunteer Secretaries, MITS & over 300 students of the College participated in the Marathon.



NSS unit of MITS (Muthoot Institute of Technology & Science) visited the Swashraya Rehabilitation Centre for the Handicapped, Vettikkal, Ernakulam and spent a day conducting several cultural program with the residents there. Mr. Eldho Joy, Program Officer and Mr. Rohit Nair, volunteer secretary were present at the Centre.

### Indian Concrete Institute (ICI) Chapter

Official inauguration of Indian Concrete Institute (ICI) at Muthoot Institute of Technology & Science (MITS) was done by Dr. Anitha G Pillai, Chairperson, ICI Kochi Centre. Indian Concrete Institute is one of the leading professional bodies in India, catering to the professional needs of individuals and organizations involved in Concrete.

### Lions club international felicitated Muthoot Snehasraya Team.

Muthoot Snehasraya Team members were honored by Lions Club International in their District Meet held at IMA Hall, Ernakulam. Muthoot Snehasraya has organized more than 150 camps in association with Lions in various parts of Kerala.



Snehasraya Team members with Mr. George Alexander Muthoot, Managing Director, The Muthoot Group & Chief Officials of Lions Club.

### Road Safety Programmes



MITS placed Convex Mirrors on the curved road sides of the National Highway, Varikoli, Ernakulam to avoid accidents. The program was inaugurated by Mr. Rajesh, S.I., Puthencruz, Ernakulam. Mr. Eldho Joy, NSS Program Officer felicitated the program. NSS unit has also cleaned the sign boards at the road sides from Thiruvankulam to Puthencruz, Ernakulam.

### Blood Donation Campaign



MITS organised "Navajeevan", Blood Donation Campaign and Stem Cell registration drive in the College campus. The program was inaugurated by Mr. V. P. Sajeendran, MLA. Mr. George Varghese, Executive Director, MITS, Mr. Bineesh Pullyattil, Block VP, Mr. Eldho Joy, NSS program Officer, Mr. Rohit Nair, Ms. Remya Krishnan, Volunteer Secretaries, were present on this occasion. Over 500 people participated in the program and 261 donated blood.



### Distribution of educational material



1100 Educational Kits and 150 schoolbags were distributed to under privileged students of Thane municipality school on the occasion of Birthday celebration of Mr. Uddhav Thackeray, Shiv Sena Party Chief.





### Award For Paul George Global School, New Delhi (PGGS)

Paul George Global School has been recognised and awarded for 'Effective Partnership with Parents' by Best Practices and Innovation in Early Childhood Education (Delhi) at the Second International Early Childhood Conference held recently in Delhi.



This is a great achievement for PGGS especially since the recognition has come in just the second academic year after the inception of the school. As PGGS competes with over 150 schools in Delhi, the award recognises the school's unique and path-breaking initiative that combines the conventional Parent Teachers Association (PTA) meets with a reverse format of teachers' visits to the students' homes. Through this initiative, the school has successfully established greater synergies between the parents, teachers and the children.

This accolade is an acknowledgement of the sincere and dedicated efforts of the Principal, Teachers, Non-Teaching and Administrative staff of the school to make the Paul George Global School the New Best School of India.

### CRISIL & ICRA Upgrades Muthoot Finance Long Term Debt Rating

CRISIL has upgraded long term debt rating of Muthoot Finance from AA-/STABLE to AA/ Stable. Long term debt rating covers debt instruments of above one year whereas short term debt rating is for debt instruments of up to one year. Under CRISIL rating scale, AA rating will fall under 'High Safety' category and carries very low credit risk. Under short term debt rating, Muthoot Finance already has highest rating from CRISIL with A1+ rating which is considered to have very strong degree of safety and carries lowest credit risk.

ICRA has upgraded long term debt rating of Muthoot Finance from "AA-/STABLE" TO "AA/STABLE". Long term debt rating covers debt instruments of above one year. Short term debt rating covers debt instruments of upto one year.

Under ICRA rating scale, "AA" rating carries a meaning "Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk." ICRA may apply '+' (plus) or '-' (minus) sign to this rating to indicate their relative position within the category.

By this upgrade, the definition of ICRA rated long term debt instruments will change from "AA-" to "AA" which indicates positive change in comparative standing within 'AA' rated category.

Under short term debt rating, Muthoot Finance already has highest rating under that category from ICRA with "A1+" rating which carries a meaning "Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk".

### Maari & Neera products from Xandari Pearl



As part of community development, Xandari Pearl has introduced Maari & Neera products like Puttu Podi, Appam Powder, Original Coconut Oil, Natural Vinegar, Jaggery made of Coconut, Pickles, Coconut Honey etc for their "Guest Delights". Xandari Pearl is the first Resort in Alleppey District for this unique initiative. All these products comes with market standard and FSSAI (The Food Safety and Standards Authority of India).



### Celebrity visits at Xandari Harbour

Xandari Harbour staff members with Mr.Soubin, Malayalam Film Actor.

### Award for "BEST STOCK MARKET RESEARCHER"



Mr. Vinod ES-Deputy Manager - Technical Research, Muthoot Securities, receiving the Business and Skills Award for "Best Stock Market Researcher" in the function organized

by National Safety Forum on 10th September 2016 at Crowne Plaza, Cochin.

*"Thoughts lead on to purposes; purposes go forth in action; actions form habits; habits decide character; and character fixes our destiny".*  
-Tyron Edwards-



### Muthoot Finance holds 19th AGM

19th Annual General Meeting of Muthoot Finance Ltd. was held on 29th September, 2016 at Fine Arts Hall, Ernakulam. Mr. M. G. George Muthoot, Chairman, Muthoot Finance Ltd, highlighted the major achievements and business milestones the company achieved during the financial year 2015-16.



From Left to Right – Mr. M. G. George Muthoot, Chairman, Mr. Alexander George, Director, Mr. George Jacob Muthoot, Jt. Managing Director, Mr. George Thomas Muthoot, Jt. Managing Director, Mr. George Alexander Muthoot, Managing Director, Mr. Kariath George John, Independent Director, Mr. George Joseph, Independent Director, Justice. K. John Mathew, Independent Director, Mr. John K. Paul, Independent Director.

### Muthoot New Year Utsav V



Muthoot New Year Utsav V was won by Mr. Vinod Lal, Chief Manager, Pattom Branch, Trivandrum. Mr. George Jacob Muthoot, Joint Managing Director, The Muthoot Group handed over the key of Renault Kwid Car to the winner in the presence of Mr. Deep Paul, Vice President of Kotak Mahindra, Mr. Thomas.P. Rajan, CEO, MIBPL, Mr. Vaidya Nathan, Regional Manager, Trivandrum South Region, Mr. Vinod Raj, Regional Manager, Trivandrum North Region, Mr. Bijay Bhuvan, Asst. Vice President, Customers and Employees of The Muthoot Group.

### Muthoot Finance to raise Rs.500 crore via NCD

Muthoot Finance is expected to raise Rs.500 crore by issuing non-convertible debentures (NCDs) during second week of November, 2016. The proposal to raise money through the public issue of debt securities was taken at the company's annual general meeting. In April 2016, the company had raised Rs. 500 crore through a public issue of NCDs. It had mopped up Rs.1,239 crore through three public issue of NCDs in the previous financial year.

### Inauguration of renovated Eye Care Block of General Hospital

As part of the CSR activities, Muthoot Finance Limited has renovated the Eye care block of General Hospital, Ernakulam.



Prof. K. V. Thomas MP and Mr. George Alexander Muthoot, Managing Director of The Muthoot Group jointly inaugurated the renovated Eye Care Block of General Hospital, Ernakulam.

Dr. Daliya V. S., Medical Superintendent, Dr. Haneesh, R.M.O., Dr. Viyalakshmi, Ophthalmologist, Dr. K. Kuttappan, DMO, Ernakulam, Dr. Haseena Muhammed, DPM, Dr. Junaid Rahman, HDC Principal Advisor, Mr. Sojan Antony, HDC Member, Ms. Gracy Joseph, Welfare Committee Chairperson, were present on the occasion.

### ATM Inauguration



Muthoot ATM at CSI Mini Shopping complex, Baker Junction, YMCA, Kottaym was inaugurated on 17th August 2016 by Mr. George Thomas Muthoot, Joint Managing Director, The Muthoot Group in the presence of Mr. John Varughese General Secretary - YMCA Kottayam.

## THE MUTHOOT GROUP DIVISIONS

- Financial Services | Wealth Management |
- Money Transfer | Forex | Securities | Vehicle & Asset Finance |
- Media | Information Technology | Healthcare | Housing &
- Infrastructure | Education | Power Generation | Leisure &
- Hospitality | Plantations & Estates |
- Travel Services | Precious Metals | Housing Finance |
- Overseas Operation