



## **Muthoot Fincorp welcomes RBI's directive on differentiated banking license**

**Kochi, July 24, 2014:** Muthoot Fincorp Ltd, the flagship company of the Muthoot Pappachan Group has welcomed the RBI's draft guidelines for licensing of payments and small banks.

Speaking on the subject, Mr. Thomas John Muthoot, Chairman & Managing Director, Muthoot Fincorp Ltd said, "We see the RBI guidelines as a very positive move towards introducing basic banking facilities to the unbanked population in India. With our 3,831 branches across country, we are already reaching out to customers from various segments, including the informal and unbanked. We do believe we have the requisite structure to offer banking service to the customer. However, we are in the process of evaluating the impact of possible transformation into a bank and would arrive at a decision after a formal internal review."

### **About Muthoot Fincorp Ltd**

Muthoot Fincorp Ltd., the flagship company of Muthoot Pappachan Group, is one of the largest NBFCs in India, registered with the Reserve Bank of India. Muthoot Fincorp is a provider of mass finance in the form of gold loans. Decades of dedicated research and experience in rural strongholds have enabled the Company to provide quick and customized finance options and investment schemes for millions of customers who do not have access to mainstream commercial banks. Muthoot Fincorp is amongst the largest Gold Loan companies in India and has an average of 50,000 walk in customers per day. The company has a diverse mix of retail offerings catering to the various needs of its customers including Loan products, Money Transfer, Foreign Exchange, Insurance Services and Wealth Management Services.

Three years back the Company entered the affordable housing finance arena through a subsidiary – Muthoot Housing Finance Company Ltd (MHFL). MHFL caters mainly to the housing finance requirements of customers in the middle and lower income category. The Company offers housing loan, primarily to the people in the unorganised sector to make their dream of owning a home come true. Loan amounts range from Rs 3 lakhs to Rs 15 lakhs, with a loan repayment period up to 15 years and a loan to property value of up to 80%. MHFL offers loans for the purchase of ready property, house/flats under-construction, self-construction on own plot and home extension.

The Net worth of Muthoot Fincorp as on 31<sup>st</sup> March 2014 is Rs. 1249.85 crores and the Capital Adequacy Ratio of the Company is 21.01%.

### **About Muthoot Pappachan Group**

Muthoot Pappachan Group (MPG), the 127 year old conglomerate has been providing solutions, services and expertise to lakhs of customers across the country in various domains like financial services, automotive, property, hospitality, and alternative energy.

Over the years Muthoot Pappachan Group has grown to become a significant entity in the Indian business landscape. Currently it has more than 20000 employees, serving over a million customers. MPG's customer-centric approach and innovation in terms of new

products that cater to changing customer needs have helped in winning the loyalty of innumerable customers, as well as attracting new ones. The Group adapts the latest technology and new ways to serve the customers, with an uncompromising stand on values, principles and ethics.

The Muthoot Pappachan Group firmly believes that financial inclusion of the economically weaker section of society is important for the socio-economic growth of the country. With that belief MPG launched Muthoot Mahila Mitra (MMM), a micro-finance offering that focuses on empowering women through financial literacy training. Muthoot Mahila Mitra follows the Joint Liability Group (JLG) model of micro-finance. Clients are organised in groups of five to ten women from economically weaker sections of society, living in rural and semi-urban areas or urban slums. Target clients are economically active women with regular cash flow through lawful, sustainable and stable economic activity. Under this program, each individual in a JLG is offered a loan between Rs 10,000 to Rs 15,000 depending on her repayment capacity, for a tenure of 52 weeks. MMM also fosters entrepreneurship skills among women and gives them basic financial literacy.

Muthoot Capital Services Ltd. (MCSL) is the first listed entity of Muthoot Pappachan Group. A Non Banking Financial Company (NBFC) listed on the Bombay Stock Exchange, MCSL offers loans for the purchase of vehicles with cost-effective, value-added services for the benefit of its customers. The Company is licensed by RBI to accept deposits and offers deposit products at attractive rates of interest for the domestic saver. MCSL is presently active in retail financing and caters to the requirements of borrowers both in rural and semi-urban areas. The Company's direct approach helps arrive at solutions that best suit the financial requirements of the applicants. The total number of two wheeler and three wheeler loans disbursed by the company so far in the last six years crossed 3,60,000 as of 31.03.2014. The company is currently servicing more than 1,300 plus dealerships in seven states with a strong presence in Hero and Honda which together contribute 80% of the total business.

The Group has added to the tourist attractions of Kerala by setting up star hotels run by the Taj and Hilton Groups, Villa Maya the exclusive restaurant and SkyChef the air catering unit, while contribution to Safe and Clean Energy comes in the form of electricity through wind farms and to Technology through the state of the art Muthoot Technopolis.

Armed with a commitment to society, the Group set up the Muthoot Pappachan Foundation (MPF), a Public Charitable Trust – the CSR arm of the Muthoot Pappachan Group that has touched thousands of lives through its diverse programmes. The CSR initiatives of Muthoot Pappachan Group revolve around the theme HEEL, covering Health, Education, Environment and Livelihood.

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