

Reliability for all seasons



MANAPPURAM
FINANCE LIMITED

20th Annual Report 2011-12

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Read about us

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Focus and foresight



The initiative of one visionary helped improve many lives in more ways than one.

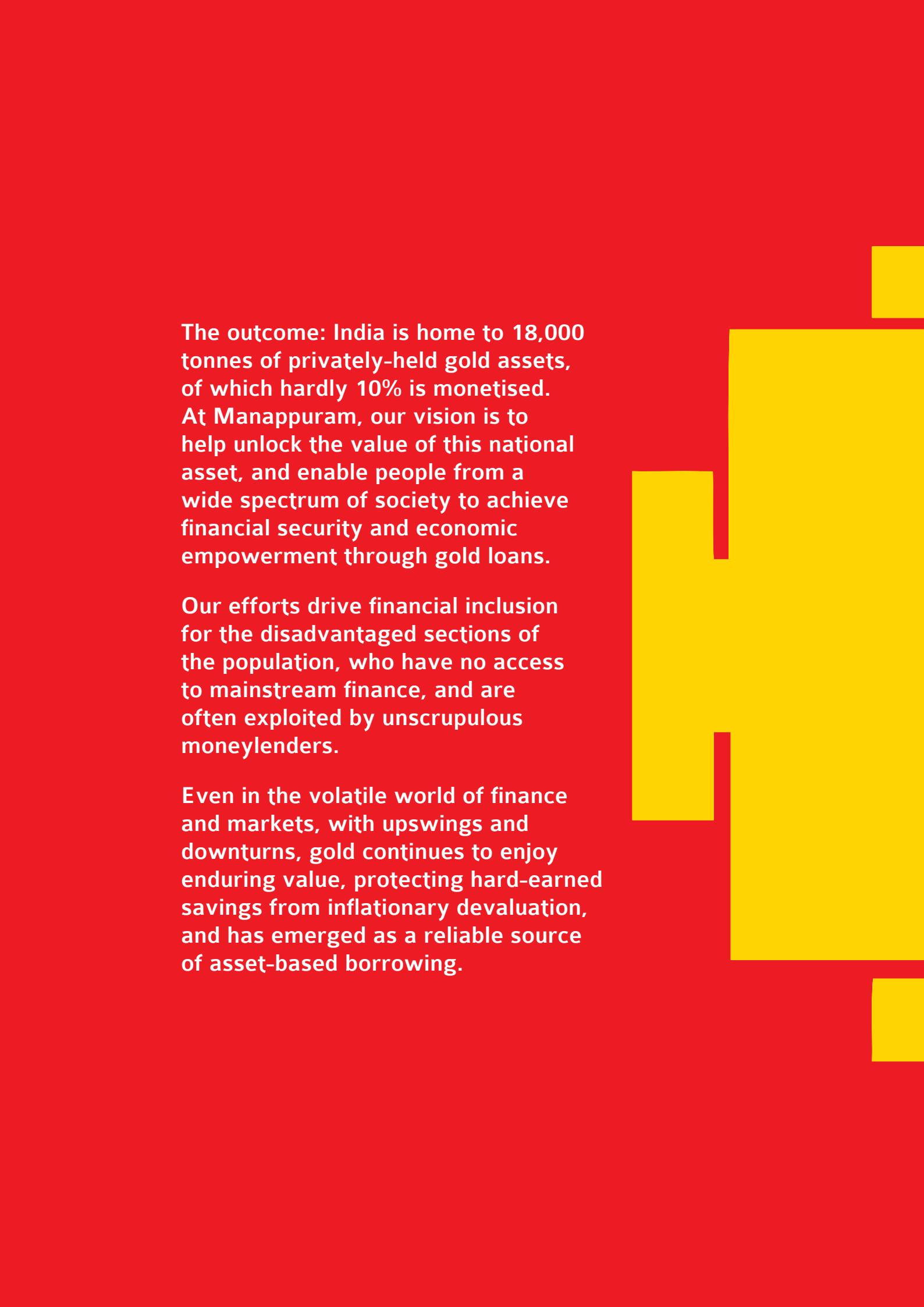
When Mr. V. C. Padmanabhan founded Manappuram in 1949 in the coastal Kerala village of Valapad, his efforts helped fulfil the financial priorities of the local people — mostly farmers and fisher folk — by providing access to quick loans in times of distress.

In those days, India was a fledgling republic and its banking services were underdeveloped. Since then, the Company has grown rapidly to emerge as one of the most popular options for fast and secure gold loan borrowings. In the year 1992, Manappuram General Finance and Leasing Ltd. was incorporated.

Today, as Manappuram Finance Ltd., we have become one of the largest asset-based NBFCs in India, thanks to our pioneering spirit, our culture of innovation, and our sophisticated technology platform which assures safe and secure transactions.



Gold enjoys close associations with almost all aspects of civilised life. In India, it is largely looked upon as a cherished possession for ornamentation or as a matter of pride and social prestige.



The outcome: India is home to 18,000 tonnes of privately-held gold assets, of which hardly 10% is monetised. At Manappuram, our vision is to help unlock the value of this national asset, and enable people from a wide spectrum of society to achieve financial security and economic empowerment through gold loans.

Our efforts drive financial inclusion for the disadvantaged sections of the population, who have no access to mainstream finance, and are often exploited by unscrupulous moneylenders.

Even in the volatile world of finance and markets, with upswings and downturns, gold continues to enjoy enduring value, protecting hard-earned savings from inflationary devaluation, and has emerged as a reliable source of asset-based borrowing.

At Manappuram, we honour gold as a timeless wealth creator and an enabler of social security for all seasons, keeping alive a faith, nourished by ancient traditions.

99.1%

of assets under management (AUMs) represent gold loans as on March 31, 2012

98%

contribution of gold loans to total interest income in 2011-12

76%

growth in gold loan disbursement in 2011-12

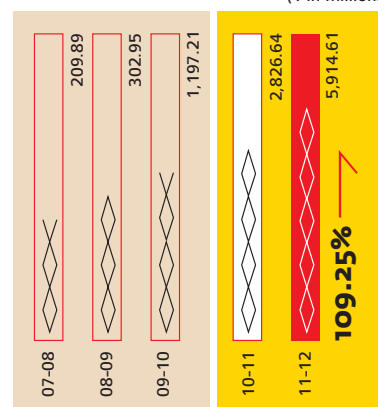
Total income

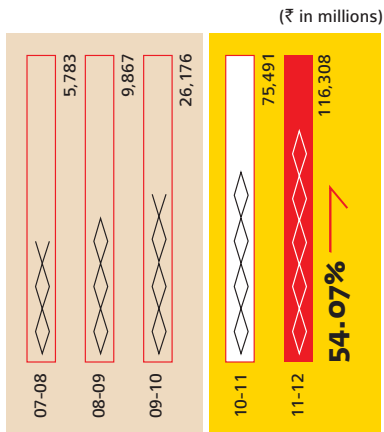
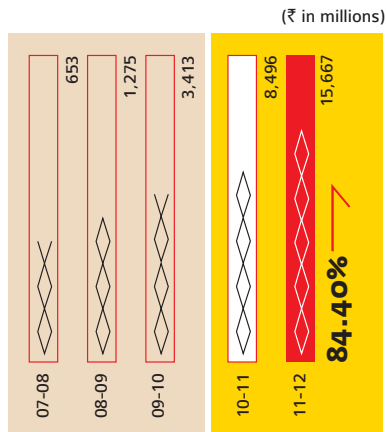
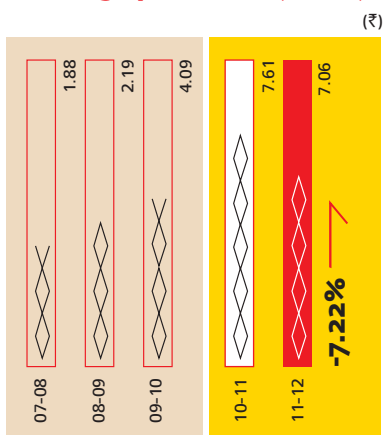
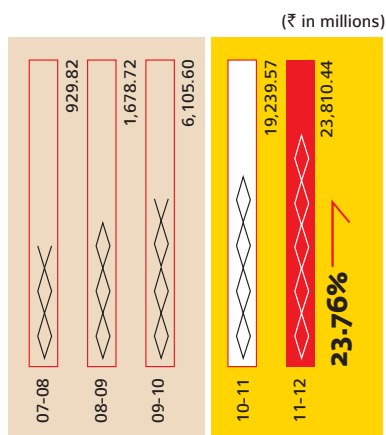
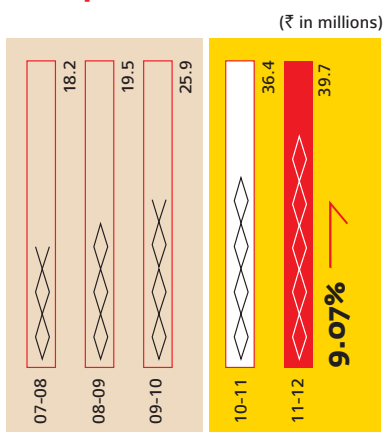
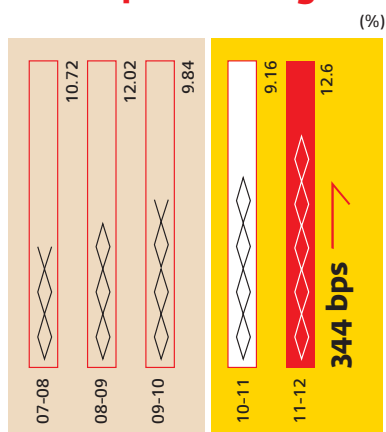
(₹ in millions)



Profit after tax

(₹ in millions)



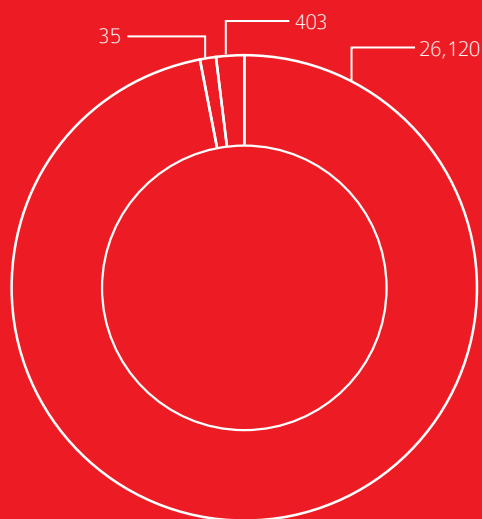
AUM**Net interest income****0.32%**net NPA of gold loans as on
31st March, 2012**24%**increase in gold holdings as on
31st March, 2012**Earnings per share (basic)****Net worth****0.46**million new customers added
during 2011-12**AUM per branch****Cost of borrowing**

Graphs not to scale

	2010-11	2011-12
Return on average assets	5.04%	4.89%
Return on equity	26.24%	26.57
Leverage	3.47	4.49
Capital adequacy ratio	29.13%	23.39%

Income pie in 2011-12

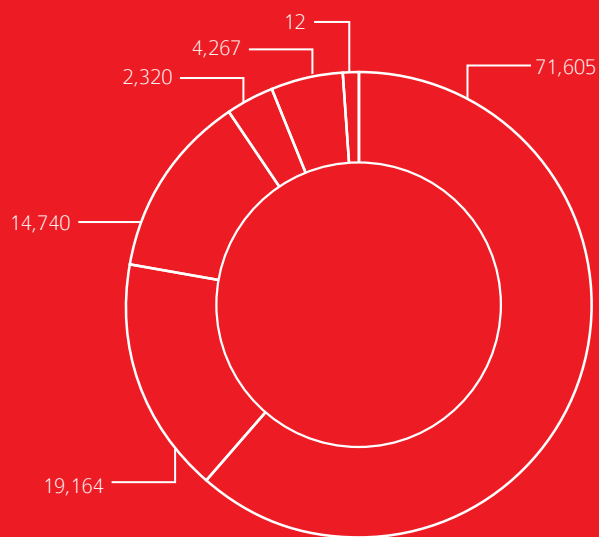
(₹ in millions)



Interest income	26,120
Fee-based income	35
Other income	403

Sources of fund in 2011-12

(₹ in millions)



Overdraft, Working Capital Demand Loan (WC DL) and Short Term Loan (STL)	71,605
Securitisation and assignment	19,164
Debentures	14,740
Commercial papers	2,320
Subordinate debt	4,267
Others	12

Pie charts not to scale

**844**new branches opened
during 2011-12**5,000+**new employees added to the
Manappuram family during 2011-12

Adding glitter to gold

Headquartered in Kerala, Manappuram Finance Limited is India's first listed and highest credit-rated gold loan company. Incorporated in 1992, we have since emerged as one of the fastest growing gold loan companies in India.

We provide our customers with 'instant' credit at reasonable rates of interest, primarily against their used gold jewellery, to help them fulfil short-term financial priorities.

Manappuram Finance helps a vast cross-section of customers to translate their aspirations into reality and lead a life of dignity.

Pillars of our philosophy

Customer-first strategy

Our products aim at delivering maximum value to our customer, irrespective of their economic status. We believe that everyone values time, and therefore everyone is entitled to courtesy and prompt service, with high levels of transparency.

Uncompromising integrity

We follow ethical values and practices in all our dealings. We believe in transparency and in following the laws of the land without ambiguity. We value the contributions of all our stakeholders and we take special pride in recognising those contributions.

Cutting-edge technology

As a pioneer in the introduction of technology into the gold loan sector, we believe in constantly updating our technology to keep costs low and deliver accelerated customer service. We have standardised our processes to enable better and more cost-effective access to our customers. And we believe in fostering innovation to elevate our organisation to the next level.

Business areas

Gold loan

Customers can pledge gold ornaments or jewellery and draw cash against it. Depending on the net weight and purity of the gold, cash is disbursed. They can choose from various schemes according to their requirements.

Money transfer

Customers can avail fast, easy and safe money transfer worldwide instantly. The money transfer service is available across our pan-India branch network; moreover no bank account is needed for amounts up to ₹ 50,000.

Foreign exchange

Manappuram was one of the first NBFCs from Kerala to have been awarded the AD (Authorised Dealer II) license by the Reserve Bank of India (RBI). We have been authorised by the RBI to act as a full-fledged money changer, undertaking currency exchanges and sale of travellers' cheques for a variety of purposes, permitted under the Foreign Exchange Management Act (FEMA).

Expanding far and wide

Presence across states/ Union Territories

20 > 26

in 2010-11

in 2011-12

Branches

2,064 > 2,908

in 2010-11

in 2011-12