

**TOUCHING  
LIVES.  
SHAPING  
FUTURES.**

**25**  
*years*  
OF STERLING  
PERFORMANCE



## Forward-looking statement

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 our 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 bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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annual report online at  
[www.manappuram.com](http://www.manappuram.com)

#### Revenue

43.8%



Y-O-Y

#### EBIDTA

54.5%



Y-O-Y

#### Profit after tax

113.6%



Y-O-Y

#### Earnings per share

113.8%



Y-O-Y

#### Assets under Management (AUM)

19.5%



Y-O-Y

#### Gold loan disbursement

45.4%



Y-O-Y

#### Gold holdings

2.4%



Y-O-Y

#### Gold loan customer base

11.1%



Y-O-Y

#### Equity share information

NSE: MANAPPURAM  
BSE: 521213

Y-o-Y: Growth in 2016-17 over 2015-16



**Shri V. C. Padmanabhan**

## **Tribute to a visionary**

At Manappuram, we commenced our journey with the fundamental objective of helping and empowering people. In 1949, one man from the impoverished village of Valapad in Kerala set out on his journey to help poor farmers and fishermen by providing them with hassle-free loans at affordable rates. Thus, Shri. V. C. Padmanabhan took the first step towards building an institution of trust. He was a visionary, who continues to inspire us to this day.

Shri Padmanabhan earned a reputation for his integrity and Manappuram soon became a haven for the deposits of local people, offering higher returns along with assured safety. The small business of community financing through gold loans gained strength, and after decades of building trust, it acquired a new identity in 1992 as Manappuram General Finance and Leasing Limited.

Over the 25 years since then, we have fortified our position as one of India's most trusted gold loan NBFC. Today, we have successfully diversified our offerings to reach a wider cross-section of customers.

Our business landscape has changed over the years, with new opportunities and challenges emerging. However, the values of our founder continue to guide us towards new horizons.

**Shri V. C. Padmanabhan**  
**(1916-1986)**



# 25 Years of Empowerment and Value Creation

1992



Manappuram Finance Limited (MFL) was incorporated with registered office at Thrissur to conduct the business of financial services, especially leasing and hire purchase

1994



Paid maiden dividend in the very first full year of operations (1994) and has maintained a track record of uninterrupted dividend payouts thereafter

1995



- First NBFC from Kerala to go for a credit rating exercise. ICRA assigns rating of MA to its fixed deposit programme
- Approaches the capital market with its first Public Issue of shares for ₹ 1.75 crore. The shares are listed on the Bombay, Madras and Cochin stock exchanges

1996



First NBFC in Kerala permitted by the RBI to accept deposits from the public without restrictions on the limit. The Company is also permitted to set its own interest rates

1998



- Becomes the first NBFC in Kerala to be given a Certificate of Registration by the RBI
- A major policy change sees MFL shifting its focus to gold loans

2002



Commences foreign exchange business with moneychanger's licence from the RBI. [Later, in 2007, it becomes first NBFC from Kerala to receive AD - II (Authorised Dealer - II) Licence from RBI]. The registered office is shifted to Valapad, Kerala

2003



- Manappuram Finance (Tamil Nadu) Ltd. (MAFIT) was established with a registered office in Coimbatore, consequent upon the takeover of Sterling Gem Finance Pvt. Ltd. MAFIT was later merged with MAGFIL w.e.f. April 1, 2008
- Declared Rights issue

2005



Attracted institutional funding for the first time, when ICICI Bank sanctioned working capital facility of ₹ 25 crores under a 'bilateral assignment' model. Hitherto, MFL had been largely dependent on deposits from the public

2006



Singapore government-owned investment fund Fullerton India/Temasek enters the picture with initial sanction of a credit limit of ₹ 50 crore to MFL. Within a year, the limits are enhanced to ₹ 475 crore

2007



- First NBFC in Kerala to receive foreign institutional investment with Sequoia Capital and Hudson Equity Holdings investing ₹ 70 crore
- First NBFC from Kerala to issue bonus shares in the ratio of 1:1

2008



- Total business volumes of MAGFIL cross the ₹ 1,000 crore milestone
- More FII's come in and Company raises ₹ 70.75 crore

## 2009

Manappuram Foundation established at Valapad in order to further the CSR mission of the Manappuram Group. The first initiative of the Foundation is "Janaraksha Manappuram Soujanya Arogya Insurance Scheme" providing free health insurance to 20,000 BPL families (covering over one lakh beneficiaries) in the seven panchayats of Nattika assembly constituency

## 2010

- Declared 1:1 bonus issue for second time
- Total business volumes crossed ₹ 5,000 crore
- Raised ₹ 245 crore through the QIP route
- Opens its 1001st Branch at Thrissur town
- Superstars Mohanlal, Vikram, Venkatesh, Puneeth Rajkumar and Akshay Kumar among others becomes Manappuram's brand ambassadors
- Raised additional capital of ₹ 1,000 crore from FII's (through QIP)
- Stock split: Equity share of face value of ₹ 10/- split into 5 shares of face value of ₹ 2/- each

## 2011

- Assets under Management (AUM) records three-fold growth to ₹ 7,549 crore
- Adopts a new name, Manappuram Finance Ltd., in place of the earlier name Manappuram General Finance and Leasing Ltd
- Declared 1:1 bonus issue for the third time

## 2012

- AUM crosses ₹ 10,000 crore
- RBI tightens regulations, stipulates cap on LTV not to exceed 60%
- Branch Network reaches 2,908, with more than 850 branches added in FY 2012

## 2013

RBI issued key guidelines to bring stability to gold lending business, increases LTV for gold loans to 75%

## 2014

- Pioneered the introduction of shorter tenure loans product (3 to 9 months) with lower LTV for longer tenure loans
- Acquired full ownership of Milestone Home Finance Private Limited from Jaypee Hotels Limited. Name changed to Manappuram Home Finance Private Limited
- Equity shares of the Company listed on the NSE (Listed on BSE in 1995)

## 2015

- Diversified into Home Loans and Commercial Vehicle finance
- Acquired the Chennai based MFI, Asirvad Microfinance Pvt. Ltd.
- Introduced online gold loan (OGL) in October becoming the first in the Industry to do so
- Celebrated 20 years of listing on the BSE with ceremonial ringing of the closing bell by Mr. V.P. Nandakumar and Mrs. Sushama Nandakumar (joint promoters of the Company) on November 6
- Altered object clause in Memorandum of Association to incorporate diversified business activities

## 2016

- V.P. Nandakumar, MD & CEO, is one of a select few from India to be shortlisted for the CNBC Asia Business Leaders Award 2016 held at Jakarta, Indonesia, on November 23
- Acquired 100% ownership of Manappuram Insurance Brokers Private Limited

## 2017

- Awarded 'Best NBFC for Gold Loan Business' from the India Bullion Jewellery Association (IBJA), Mumbai, on March 16 at Mumbai
- Co-branded Pre-paid Money Card in tie up with YES Bank and the MaKash e-Wallet launched on April 15
- The Company's shares are included in the derivative segment (futures & options) at NSE, effective June 30



# 25 years is a promising age.

Because it offers both the dynamism of youth and the insight of experience.

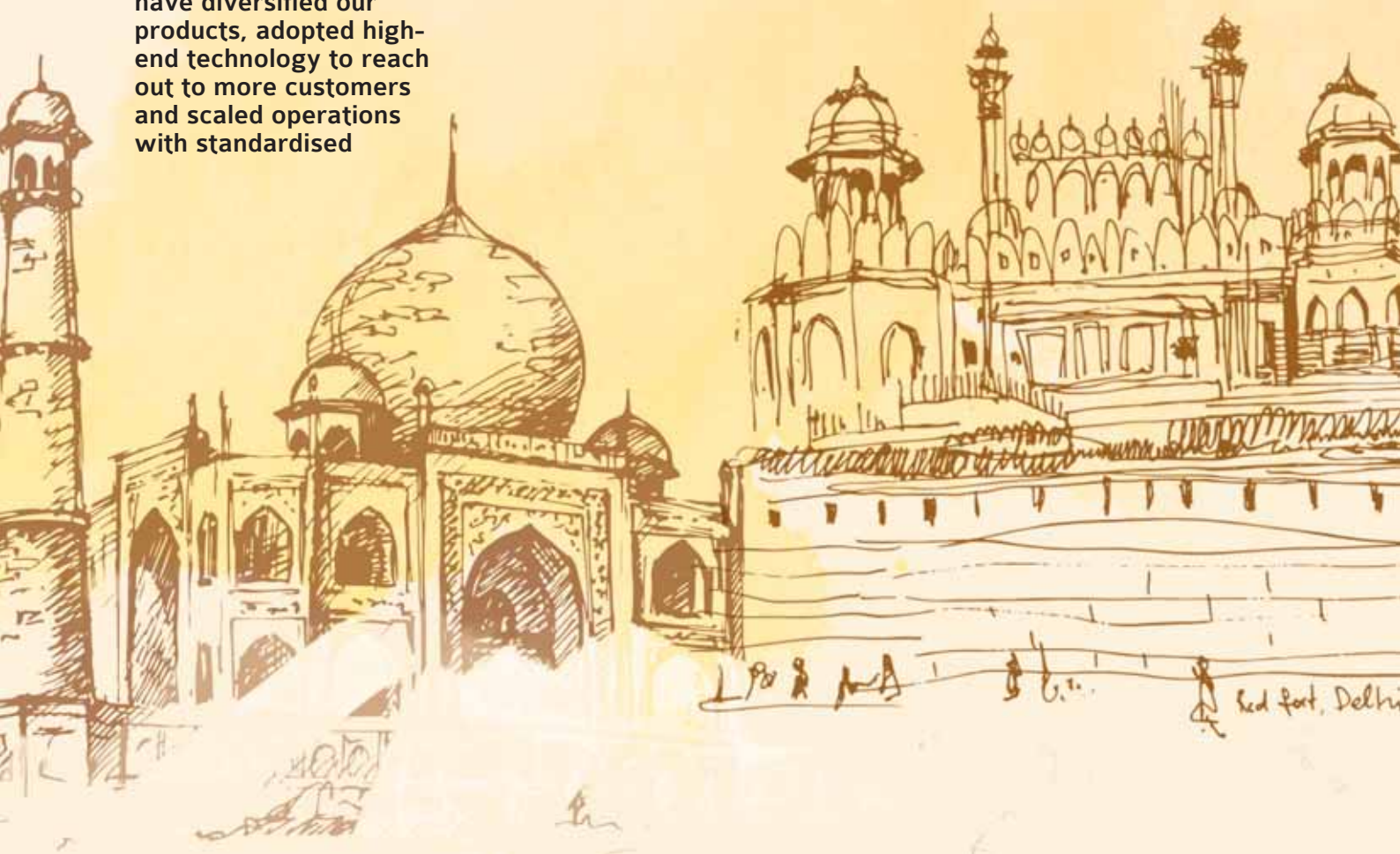
At Manappuram Finance, we have enjoyed every moment of this exhilarating journey.

We remain rooted to our core values, while at the same time excited to leverage opportunities that are emerging on the horizon.

Over the years, we have diversified our products, adopted high-end technology to reach out to more customers and scaled operations with standardised

systems and platforms, all underpinned by a collaborative performance culture.

Simply put, trust, technology, talent and teamwork have played a pivotal role in shaping our 25 years of sterling performance.



**₹ 136.6<sup>Bn</sup>****Consolidated  
Assets under Management****26.12%****Capital adequacy ratio  
(standalone)****18.5%****Share of non-gold  
businesses****6****Business verticals****4,152****Branches across India****33.51<sup>Mn</sup>****Total customers****30+****Funding sources across  
banks and financial  
institutions****22,112****Team Manappuram****61.05<sup>Tonnes</sup>****Gold asset holding****28****States/Union  
territories coverage****1.7%****Net Non-performing  
Assets****10%****Borrowing cost  
(standalone)****₹ 8,250<sup>Cr</sup>****Market  
capitalisation****₹ 1.50****per share  
Paid as dividend  
(Face value ₹ 2)****34.5%****Promoters holding  
(standalone)**

## Institution of Trust

Over the preceding 25 years, we have progressed at a sustainable pace to become one of India's leading NBFCs. Our focus has always been on driving wide-ranging innovations in terms of products, processes, technologies and branding.

We drive the aspirations of our customers by offering them easy, hassle-free gold loans and help them realise their dreams. In recent years, the Company has diversified into new business areas like microfinance, vehicle and housing finance and SME lending to de-risk our business.



### Our vision

Our enduring vision is to energise the vast stock of privately held gold in India. India's households own about 20 to 25,000 tonnes of gold, the equivalent of two-thirds of the country's GDP, of which hardly 10% is monetised. We hope to unlock the value of this gold to the benefit of the common people of India most of whom have savings in the form of gold jewellery.



### Our core values

#### **CUSTOMER IS ALL-IMPORTANT**

Our products aim at delivering value to the customer. No matter what his economic status is, we believe that time is precious, and everyone is entitled to courtesy and prompt service with high levels of transparency.

#### **NO COMPROMISE ON INTEGRITY**

We set great store by ethical values and practices in all our dealing. 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 our costs low and deliver better service to our customers. We have standardised our processes to allow us better and more cost-effective access to our customers. We believe in fostering innovation to deliver ever greater value to our customers.



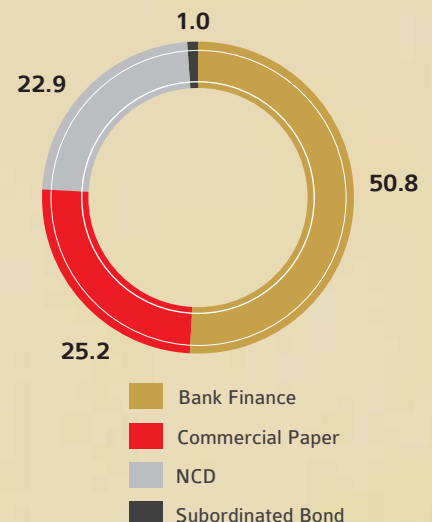
### Our mission

Our purpose is to bring convenience to the lives of the ordinary people of India, to 'make life easy' for them. We provide them with 'instant' credit at reasonable rates of interest against their used gold jewellery to enable them to meet their requirements for short-term funds.

### Our fund sources

- Credit lines from 30+ banks
- Healthy pipeline of un-utilised limits with banks and financial institutions
- Commercial papers from short-term money markets
- Privately placed Non-Convertible Debentures (NCD) and bonds
- NCD Public Issue

(%)





## Products and services



ONLINE GOLD LOAN



GOLD LOAN



SME FINANCE

FOREX & MONEY  
TRANSFERCOMMERCIAL  
VEHICLE LOANS

MICRO FINANCE



HOME LOAN

INSURANCE  
BROKING

## Our credit ratings

### MANAPPURAM FINANCE

- Investment grade rating since 1995
- Long Term: AA- (Stable) by CRISIL, ICRA, CARE
- Short Term: A1+ by CRISIL, ICRA

### ASIRVAD MICROFINANCE

- Long Term: A+ (Stable) by CRISIL, CARE
- Short Term: A1+ by CRISIL

### HOUSING FINANCE

- Long Term: A+ (Stable) by CRISIL
- Short Term: A1+ by CRISIL

## Our business strategy

### Strengthen the core gold loan business

- Delinking the gold business from gold prices by offering short-term loans (3 months)
- Increasing marketing initiatives across branches and key markets
- Enhancing marketing spend with growing BTL and ATL activities
- Focusing on branch activations through increased incentives and performance scorecard
- Consolidating pan-India reach

### Addition of synergistic new business segments

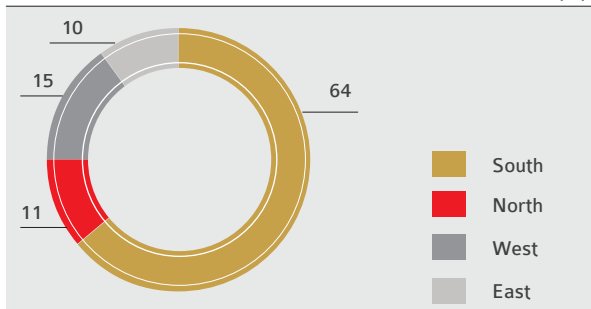
- Leveraging the strong retail customer base, retail branch network and the strong Manappuram brand equity build over the years
- Strengthening synergistic product segments – Microfinance, Mortgage & Housing Finance and Commercial Vehicle loans
- Utilising surplus capital to build or acquire new lending products relevant to the existing retail customer base

- Leveraging our operational capability to process large volume, small ticket-lending transactions with semi-urban and rural customers
- Enhancing the revenue mix and improve structural return on equity (RoE)

## Growing Our National Prominence



**GOLD AUM – REGION-WISE BREAKUP (%)**



**GOLD AUM – RURAL URBAN MIX (%)**

