

Leading the way, digitally



What's inside

Scorecard

Assets Under Management (AUM)

₹ **15,765** Crore
15.4% y-o-y



Gold Loan Disbursements

₹ **62,155** Crore
18.5% y-o-y



Net Interest Income

₹ **23,957** Crore
8% y-o-y



Book Value Per Share

₹ **45.53**
14% y-o-y



Total Customers

3.8 million
12% y-o-y



01-37

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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



Tribute to a Visionary

Shri V. C. Padmanabhan dedicated his entire life to elevate the socio-economic condition of poor farmers and fishermen by providing them affordable loans. He believed in grassroots entrepreneurship and in 1949, laid the foundation for an institution of trust, Manappuram. Over the years, the Company has crossed several milestones, leveraging emerging opportunities as the Indian economy continued to grow and prosper and become more inclusive.

Guided by Shri Padmanabhan's values, we at Manappuram have helped millions of people to accomplish their financial aspirations. We have now diversified and de-risked our business by venturing into the synergistic segments of microfinance, home loans and commercial vehicle loans, among others.

We will continue to drive our transformation roadmap in step with the changing times, while at the same time staying true to our core values of customer centricity, stakeholder integrity and quick adoption of top-notch technology for seamless operations.

Shri Padmanabhan was a true visionary and continues to inspire us for all our present and future endeavours.

Shri V. C. Padmanabhan
(1916-1986)



A woman with long dark hair is smiling and looking at a smartphone held in her left hand. She is also holding a white mug with her right hand. The background is a bright, out-of-focus window. Overlaid on the bottom left is a network diagram with white lines and dots, including a prominent red dot.

Leading the way,
digitally

We are building a more agile brand with an ambition for aggressive growth and our digital strategy is part of that overarching future roadmap.

Digitisation is helping us eliminate operational inefficiencies, accelerate decision making, touch more customers and sharpen insights into market trends and aspirations, based on analytics across all our businesses.

While our brick-and-mortar branches will continue to be an important cornerstone of the business, our digital drive will help us 'navigate the next' and contribute more significantly towards the nation's drive for an inclusive economy.

We see digital as the one big idea whose time has arrived and we are focused on leading the way digitally in the industry in which we operate.

Manappuram at a Glance

Progressing with Vigour

We are India's second largest gold loan company and have earned the trust and respect of our customers for more than two decades. Our strategy of embracing a culture of innovation across our people, processes, technologies and branding has helped us stay ahead of the curve. We cater primarily to people who are denied access by formal channels of finance and help them fulfil their aspirations.

At Manappuram, technology and customer centricity have always been our key focus areas and we are now leveraging digital channels and even providing our customers doorstep services. We have also de-risked our business from the volatility in gold prices by re-aligning the tenure and loan-to-value of our gold loans. These efforts have started fructifying in the form of stable asset quality and profitable growth of our gold loan business.

We are diversifying, with products spanning microfinance, commercial vehicles finance and housing finance, among others. We are making steady progress on this front. New businesses currently represent about one fourth of our total assets and their share is likely to go up in the future. Our strategy is to minimise our risk profile and enable us to emerge as a larger, multi-product Non-Banking Financial Company (NBFC).



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.



Vision

Our enduring vision is to energise the vast stock of privately held gold in India. India's households own anywhere from 20,000 to 25,000 tonnes of gold, the equivalent of two thirds of the country's Gross Domestic Product (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.



Core values

Customer is all important

Our products aim at delivering value to the customer. No matter what our customer's 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 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 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. Further, we believe in fostering innovation to deliver ever greater value to our customers.

Quick facts of the Group

Presence

28 States

4 Union
Territories of India

Network

4,199

Branch
outreach

Broad-based

25.5%

Share of new
businesses

Team

24,886

Manappuram
employees

Diversified

8

Business verticals

Gold

63.98 tonnes

Gold assets

Cost

8.7%

Average
borrowing cost

Fund

27

Fund sources
across banks and
financial institutions

Credit ratings

Manappuram Finance

Long Term: AA- (Stable) by CRISIL and ICRA
Long Term: AA (Stable) by Bricwork and CARE
Short Term: A1+ by CARE
Commercial Paper: A1+ by CRISIL and CARE

Asirvad Microfinance

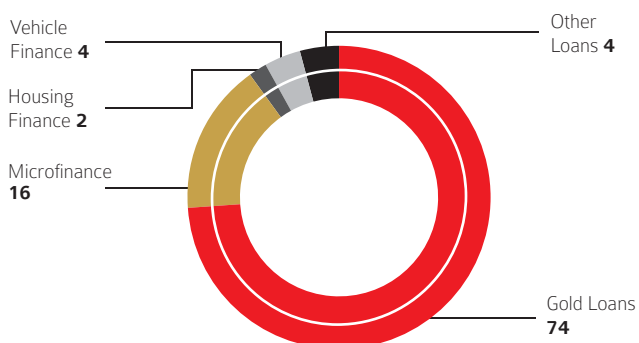
Long Term: A+ (Stable) by CRISIL, and
CARE Short Term: A1+ by CRISIL

Housing Finance

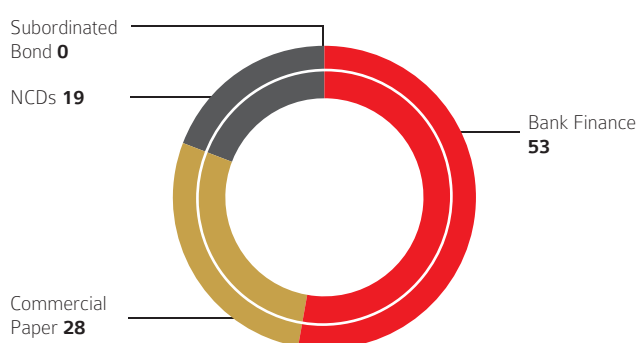
Long Term: A+ (Stable) by CRISIL
Short Term: A1+ by CRISIL
Long Term: AA- (Stable) by CARE

Business mix in 2017-18

Asset side (%)



Liability side (%)



Product Portfolio

Our Offerings Spectrum



Gold loans business

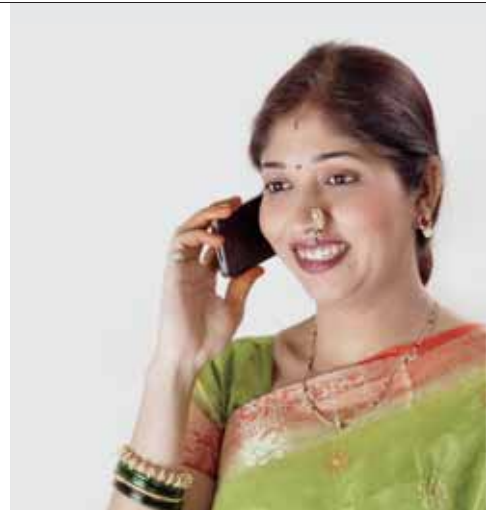


Gold loans

- A wide range of schemes to cater to diverse customer requirements
- No end-use restriction on gold loans
- Doorstep gold loans in pilot mode since May 1
- Loan to Value (LTV) linked to the loan tenure

Online Gold Loans (OGL)

- Gold loans offered at the convenience of the borrower
- Gold loans of up to ₹ 1.5 crore offered online
- Easy documentation, instant approval, convenient 24x7 online repayment
- Hassle-free, paper-less transactions online
- Free safe custody for gold



Micro finance business

- Microfinance Institution (MFI) loans under our subsidiary – Asirvad Microfinance
- Three types of loans
 - Income Generating Programme (IGP) loan
 - Product loan
 - Small and Medium Enterprises (SME) loan
- Loan tenure of up to 24 months



Housing finance business

- Home loans under our subsidiary – Manappuram Home Finance
- Focus on affordable housing loans for mid-income to low-income groups
- Average loan size of up to ₹ 10 lakh





Vehicle finance business

- Loans for new/preowned commercial vehicles and refinancing
- Minimum loans starting from ₹ 1 lakh
- 60-month maximum tenure



Others

SME finance

- Loans provided against the collateral security of property
- Loan amount ranging from ₹ 5 lakh to ₹ 2 crore
- Tenure of loan ranging from 24 months to 60 months
- 10-day Turnaround Time (TAT)

Forex and money transfer

- Fast, easy and safe money transfer
- No bank account needed for amount of up to ₹ 50,000
- Send cash anywhere in India within seconds
- Send money abroad
- Reserve Bank of India (RBI) certified

Insurance broking

- Housed under our 100% subsidiary – Manappuram Insurance Brokers Limited
- Provides insurance broking services for all leading players



Review of our Businesses

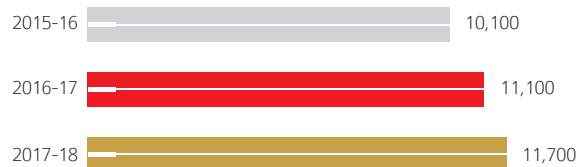
Business-wise Progress



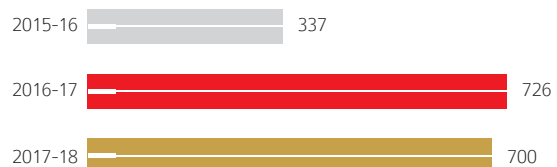
Gold loans business

- The impact of demonetisation and the Goods and Services Tax (GST) implementation began to wane in the second half of the fiscal and facilitated gold loan demand, as reflected in our Assets Under Management (AUM) growth.
- Overall, gold loan AUM grew 55% and disbursements grew 18.5% during the year.
- Our strategy of de-linking gold prices with our gold loan business is paying rich dividends as reflected in the sound credit quality of our gold loans.
- Online Gold Loans (OGL) accounted for one-fourth of our overall gold loans in FY18 and this metric is likely to be higher in the future.

Gold loan AUM (₹ in Crore)



Net profit (₹ in Crore)



3,330
Branches

28
States

32.6
Average loan ticket size (in ₹ 000s)