

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.

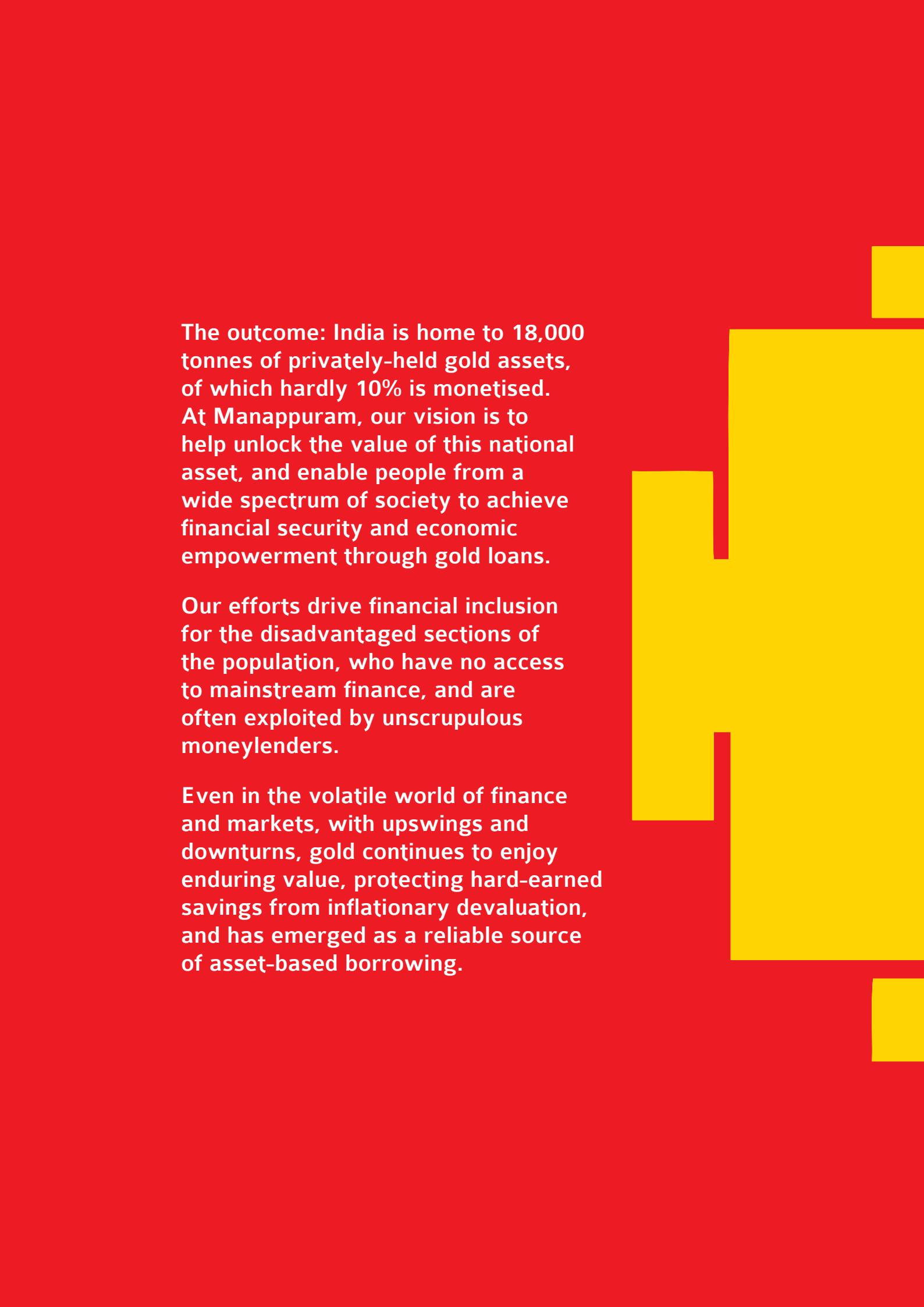
When Mr. V. C. Padmanabhan founded Manappuram in 1949 in the coastal Kerala village of Valapad, his efforts helped fulfil the financial priorities of the local people — mostly farmers and fisher folk — by providing access to quick loans in times of distress.

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

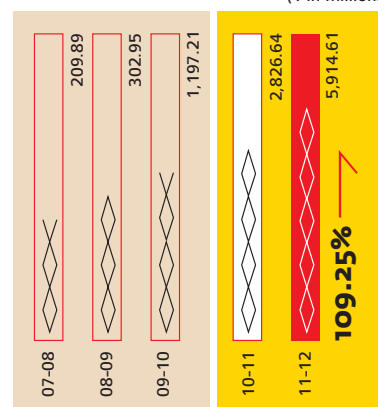
Total income

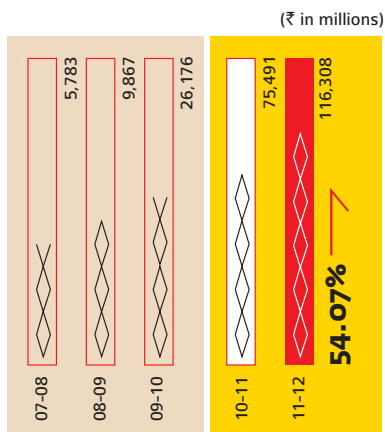
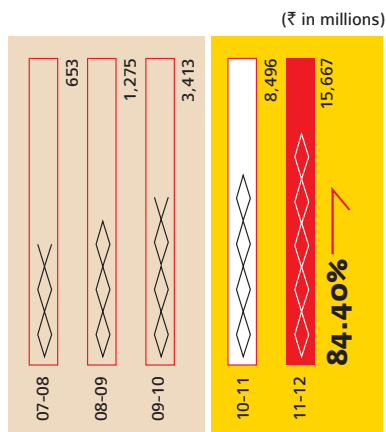
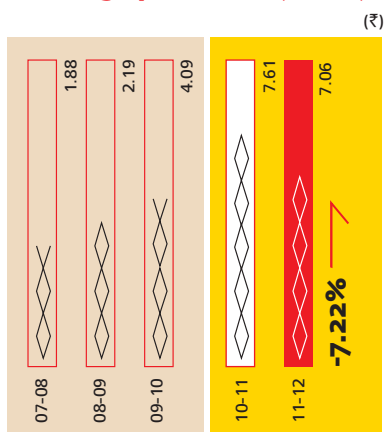
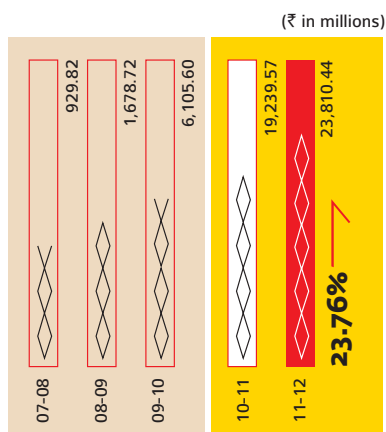
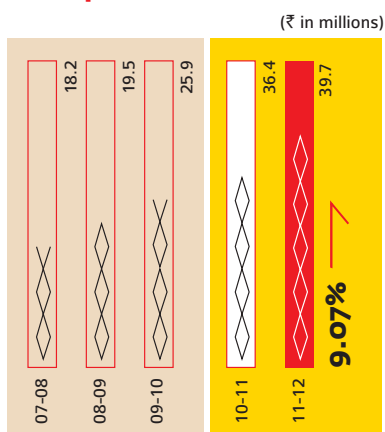
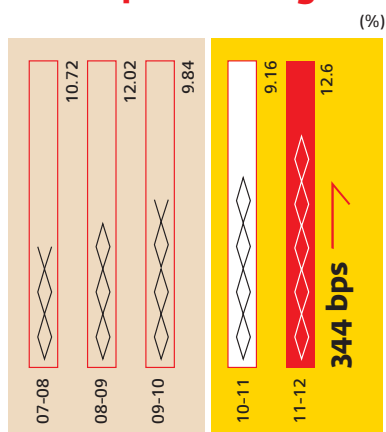
(₹ in millions)



Profit after tax

(₹ in millions)



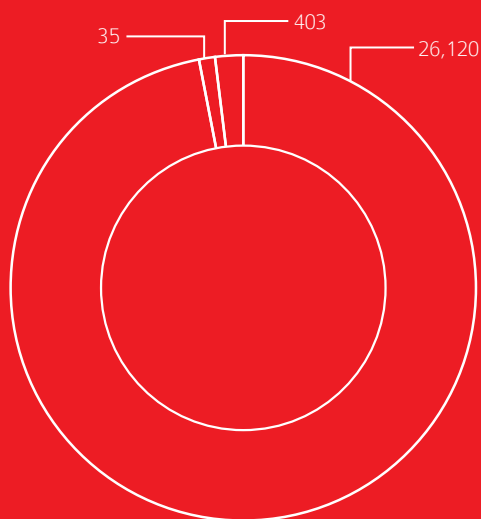
AUM**Net interest income****0.32%**net NPA of gold loans as on
31st March, 2012**24%**increase in gold holdings as on
31st March, 2012**Earnings per share (basic)****Net worth****0.46**million new customers added
during 2011-12**AUM per branch****Cost of borrowing**

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

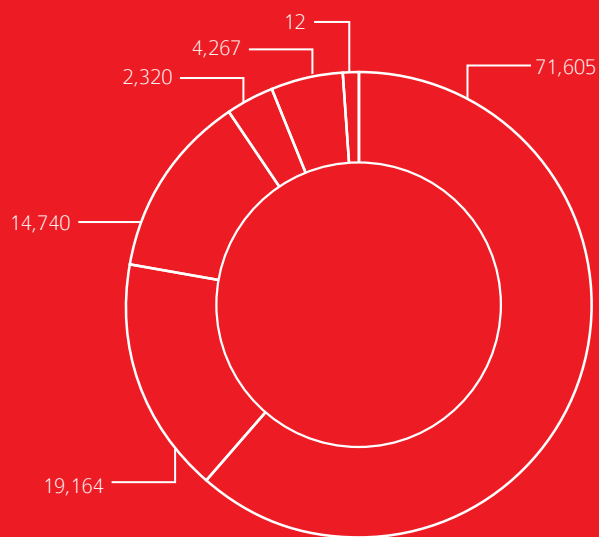
(₹ in millions)



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

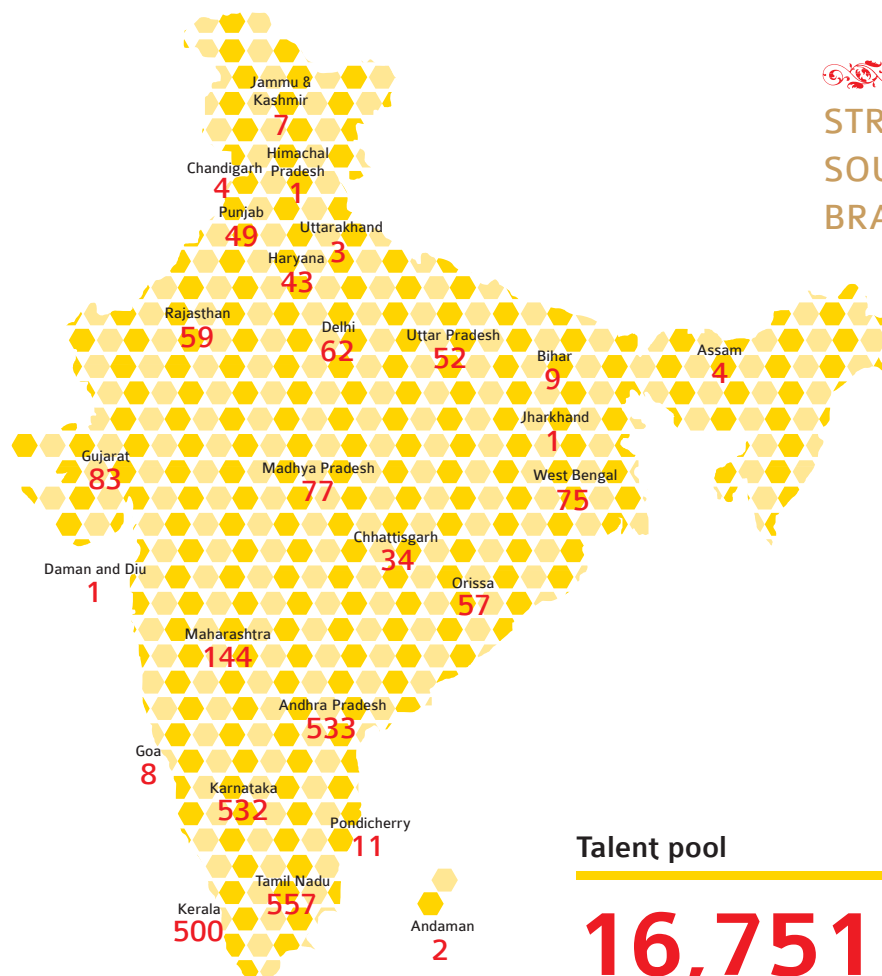
Branches

2,064 > 2,908

in 2010-11

in 2011-12

Pan-India coverage



Talent pool

16,751 > 21,924

in 2010-11

in 2011-12

Customers

1.19 mn > 1.64 mn

in 2010-11

in 2011-12

Gold holdings

52.97 tonnes > 65.57 tonnes

in 2010-11

in 2011-12

Total gold loan disbursals

180,569 mn > 316,982 mn

in 2010-11

in 2011-12

Chairman's communiqué



V.P. Nandakumar
Executive Chairman

**I HAVE GREAT PLEASURE IN PRESENTING
TO YOU OUR 20TH ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31, 2012.
OUR PERFORMANCE DURING THE YEAR,
SEEN IN THE CONTEXT OF AN ECONOMIC
SLOWDOWN, WAS QUITE SATISFACTORY. AT
THE SAME TIME, AFTER THE RECENT YEARS
OF RAPID GROWTH, WE ARE NOW MOVING
INTO A PHASE OF CONSOLIDATION. WITH
INDIA'S MACRO-ECONOMIC FUNDAMENTALS
LOSING SHINE, AND UNCERTAINTIES
EMERGING IN THE REGULATORY
ENVIRONMENT, THIS IS A GOOD TIME TO
RECHARGE AND RE-FOCUS.**



For the gold loans sector, 2011-12 began well with the leading gold loan NBFCs reporting continuing gains in volumes and market shares.



ECONOMIC OUTLOOK

The year 2011-12 saw the global economy lose traction once again, in the wake of a deepening Eurozone crisis. Barring Germany, most EU countries are faced with slow growth, even recession, along with unsustainably high levels of debt. The crisis has impacted India too, with the overall risk-averse sentiment crippling the flow of foreign investment. Besides, our exports to Europe have fallen, aggravating our trade deficit.

Undoubtedly, India's macro-economic landscape also took a turn for the worse. Contrary to the optimism that reigned at the beginning of the year, GDP growth was restricted to a mere 6.5%, belying expectations of much higher growth. The slowdown had an adverse impact on the government's finances, with revenues falling short while the expenditure side overshot the estimates on account of higher fuel and food subsidies. The country's fiscal deficit moved into the danger zone at 5.8% of the GDP.

Inflationary pressures remained high for much of the year, occasionally flirting with the double digit mark. India's current account deficit stood at 3.9% of the GDP largely due to a record trade deficit of US\$ 185 billion with imports of oil and gold leading the way. With the economy slowing down and corporate profitability under strain, stock markets were down and inflows of foreign investments were muted. This has put the Indian rupee under severe pressure, which fell from levels of ₹ 45 per US\$ in July, 2011 to a low of about ₹ 54 per US\$ in December 2011. Some amount of moderation in inflation was seen in the final quarter, which encouraged the RBI to go ahead with a 50-basis point cut in interest

rates in April 2012, after 13 successive rounds of hikes in interest rates.

The outlook for the coming fiscal (2012-13) is mixed, at best. While government sources would have us believe that a recovery in growth is on the cards, the market expectations are generally not positive.

GOLD LOANS SECTOR

For the gold loans sector, 2011-12 began well with the leading gold loan NBFCs reporting continuing gains in volumes and market shares. However, in the final quarter of the year, the sector ran into headwinds, with the Reserve Bank of India (RBI) intervening strongly to address perceived risks building up in the financial system on account of increasing exposure to gold loan companies. It may be recalled that RBI's tightening had actually begun in, February 2011, with a notification that denied priority sector status to any finance extended by the banking sector to the gold loan NBFCs. It had the impact of raising the borrowing costs of the gold loan NBFCs by about two percentage points. This year, on March 21, the RBI imposed a cap on the loan to value (LTV) ratio for NBFCs at 60% of the value of collateral. RBI's concern is that the rapid growth of gold loan companies, along with a dependence on public funds, poses a systemic risk. Further, there was concern about concentration risks in the gold loan NBFCs, arising from their single-product focus.

While the market has interpreted RBI's stance as being negative to the gold loans sector, as insiders in the industry, we hold a different view. Indeed, we are convinced that the RBI has acted out of its



Net profit for the financial year ended March 31, 2012 increased by 109% to ₹ 5,914.6 million, compared to ₹ 2,826.6 million for 2010-11. There was substantial growth in Assets under Management (AUM) which stood at ₹ 116,308 million, a 54% increase over the previous year's level of ₹ 75,491 million.



key responsibility to prevent critical risks from materialising. At the same time, we also believe that gold loans can be a transformative force in India's financial sector, particularly in promoting financial inclusion and in monetising India's vast stock of private gold. Therefore, it's imperative that we do not lose sight of the significant upside potential that gold loans hold. By restricting the LTV to 60% and making it applicable only to the NBFCs, there is a real risk of breathing new life into the unorganised sector (local pawnbrokers and moneylenders), and of stifling the original innovators in the business. However, we expect the RBI to continue to keep a close watch on the evolving situation and recalibrate its policy responses as required. The fact that they have now constituted a working group, led by Shri K.U.B. Rao, to study the business of gold loans is a positive step in this direction, and we are hopeful of a favourable outcome.

WIDER RELEVANCE OF GOLD LOANS

Ultimately, the true test of sustainability of a business is not the returns to promoters and shareholders, but how much of value flows back into the society. On this count, India owes a debt to its gold loan NBFCs. Gold kept idle in our lockers and vaults is a drag on the economy because it keeps billions of dollars in savings out of the financial system. Gold loans generate economic activity out of an unproductive asset. Thanks to the momentum given by the gold loan NBFCs, a host of new players have entered the business and we can expect more of our idle gold put to productive use. Incidentally, the

Indian government's own efforts to monetise private gold, notably through the Gold Bond and the Gold Deposit schemes, were failures.

Financial inclusion is a national priority, and gold loans can be a useful tool in achieving this objective. Unlike other indicators of wealth, the larger part of India's private gold (about 65%) is held by rural India. The poorer households own gold in significant measure, as part of their savings. In a context, where the economically challenged and the financially excluded Indian households are known to possess gold in some measure, gold loans represent the prudent way forward. What's more, these gains are delivered even as disadvantaged borrowers pay less interest on their borrowings than before. An unintended consequence of the expansion of the gold loans NBFCs has been that unregulated local financiers are forced to drop their interest rates in response to the increased competition. Not surprisingly, we believe there's every reason to be optimistic about the long-term future of India's gold loan sector.

COMPANY'S PERFORMANCE

In keeping with the trend of recent years, your Company's performance in the year under review was, by all measures, remarkable. Net profit for the financial year ended March 31, 2012 increased by 109% to ₹ 5,914.6 million, compared to ₹ 2,826.6 million for 2010-11. There was substantial growth in Assets under Management (AUM) which stood at ₹ 116,308 million, a 54% increase over the previous year's level of ₹ 75,491 million. Total gold loan disbursements during the year amounted to a staggering



I must make a special mention of the Reserve Bank of India, which has devoted considerable time and resources to ensure the security of the financial services sector and the long-term survival of the gold loan sector.



₹ 316,982 million, against ₹ 180,569 million in the previous year. Operating income for the year grew 124.43% and stood at ₹ 26,155.5 million. Importantly, you can be proud that your Company is a leading tax payer of Kerala, with provision towards income tax amounting to ₹ 2,857.5 million, compared to ₹ 1,412.3 million the year before. You will also be pleased to know that the Board of Directors has proposed a final dividend of ₹ 1 per share of face value of ₹ 2, over and above the interim dividend of ₹ 0.50 per share declared earlier this year.

OTHER ISSUES

In February, 2012, the RBI had issued a public notice that censured the Company for continuing to accept deposits from the public after becoming a non-deposit taking NBFC in March, 2011. While we have clarified that the Company was accepting retail subscriptions to its secured NCDs (which is permitted), a related issue had also come up regarding deposits accepted by a proprietary concern owned by me in my personal capacity. In the light of the concerns expressed by RBI, I have since transferred the entire amount of these deposits into an escrow account with a local nationalised bank, and the bulk of the deposits have now been repaid.

Arising from these developments, the top management of the Company initiated a series of measures to review and improve governance standards, and benchmark it to best practices. The leading law firm of Amarchand Mangaldas was taken on board to

assist with the review exercise, and we are now in the process of implementing their recommendations.

Lastly, I am indebted to all our stakeholders—the distinguished shareholders, employees, our lending banks and financial institutions, our foreign and domestic investors, the regulatory bodies and the government—for their valuable contributions in our success. I must make a special mention of the Reserve Bank of India, which has devoted considerable time and resources to ensure the security of the financial services sector and the long-term survival of the gold loan sector. I mentioned at the beginning that we are now in a phase of consolidation. By definition, consolidation is not half as exciting as rapid growth; nevertheless, over the long haul, it is vital for the health of the organisation. I seek your whole-hearted support, so that the Company is able to achieve its true potential in the years to come.

With best wishes,
V.P. Nandakumar



“For more than two thousand years, gold’s natural qualities made it man’s universal medium of exchange. In contrast to political money, gold is honest money that survived the ages and will live on long after the political fiats of today have gone the way of all paper.”



Hans F. Sennholz

At Manappuram, we believe gold has an enormous potential to help strengthen developing economies like India.

ENCOURAGING MONETISATION

Only a small proportion of the privately-held gold assets of Indian households (mostly in the form of jewellery) is monetised, depriving the economy of much-needed liquidity. Borrowing against gold (monetisation) facilitates economic activity. At Manappuram, we bring the power of gold to help accelerate economic growth.

DRIVING FINANCIAL INCLUSION

Around 65% of India's private gold is held in rural areas. Due to the lack of access to banks, poor people continue to invest their savings, primarily in gold. Besides, there are strong cultural factors, which make gold not only a desirable, but also a necessary asset to hold. At Manappuram, we are driving rural financial inclusion through our extensive reach, low operating costs (minimal compared to banks) and the focus on a single product.

TAPPING THE MULTIPLIER EFFECT

Gold loans are typically small-ticket loans, falling within the definition of micro-credit. In gold loans, delinquency rates are well below 1% and any productive activity can be financed year after year, with only an initial capital outlay, without need for periodic replenishment. It sets into motion a multiplier momentum of sustainable economic empowerment. In contrast, in a micro-credit model where recovery rates are low (as with most government sponsored lending

programmes), a significant portion of the funds is lost in each disbursement cycle. In the long-term, the cumulative compounded cost to the economy is heavy, manifest in the form of depressed GDP growth and lower living standards.

EXTENDING EFFICIENCY GAINS

Gold loans are typically short-term borrowings and, thanks to technology and modern management techniques, they have become a source of instant credit to the common man — in the way a credit card has become for the well-off. For poor people surviving on daily wages, this amounts to a critical advantage, as they cannot afford to forego their daily earnings, or incur all manner of incidental costs, in trying to get hold of a small loan. Besides, over the years, we have seen that small loans disbursed promptly help kick-start, and help keep alive, micro-entrepreneurship.

DISCOURAGING USURY

As the organised NBFC gold-loan companies expand their reach, they displace the vice-like grip of the pawnbrokers and moneylenders on poor people. It is a process with enormous social relevance in a developing nation like India. Moreover, gold-loan companies contribute to the national exchequer by paying substantial amounts of corporate income tax.



“Gold bears the confidence of the world’s millions.... It has been that way through all recorded history. There is no reason to believe it will lose the confidence of people in the future.”



Oakley R. Bramble



CONSISTENT GROWTH

**ORGANISED GOLD LOANS IN
INDIA HAVE GROWN AT 40%
CAGR FROM 2002-12**

**At Manappuram, we help
strengthen this confidence through
our easy-access gold loans and
risk-focused business model.**

ROBUST IT INFRASTRUCTURE

- ✦ Possesses IBM powered IT framework, ensuring accurate and real-time information access for faster disbursal
- ✦ Significant front-end automation, reducing human intervention
- ✦ Centralised technology for offsite surveillance (for all branches), enabling efficient monitoring and controlling
- ✦ Proactive IT helpdesk troubleshooting IT issues across all branches
- ✦ State-of-the-art on-site and offsite (Chennai) disaster recovery centre
- ✦ Modern IT tools detect the need for preventive maintenance of all IT devices
- ✦ Developed a release management system, enabling in-house testing of applications before pan-organisational rollout

STRONG INTERNAL AUDIT AND FRAUD CONTROLS

- ✦ Stringent collateral approval process
- ✦ Routine inspections, backed by a proactive vigilance
- ✦ Pledges are periodically checked by the internal audit team
- ✦ Strict Know Your Customer (KYC) compliance
- ✦ Employee profiling, tracking, and regular staff rotation across departments and branches

FAST ASSET VALUATION AND RISK APPRAISAL

- ✦ Decades of experience in gold evaluation
- ✦ Employees are regularly trained in gold-appraisal methods
- ✦ Evaluating purity of gold through touchstone test, nitric acid test, sound test and hallmark check; ensures accuracy and reliability
- ✦ Follows a three-level gold appraisal process to ensure purity

GOLD SECURITY AND DE-RISKED CUSTODIAL

- ✦ Post verification, assets are transferred to highly secured vaults
- ✦ Gold stored under joint custody
- ✦ Cash balance in branches regulated, monitored and periodically verified
- ✦ Premises usually located above ground floor, with 24x7 CCTV camera and burglar alarm system
- ✦ Insurance coverage for pledged gold



“Truth, like gold, is to be obtained not by
its growth, but by washing away from it all
that is not gold.”



Leo Tolstoy

We are elevating our governance standards to enhance transparency and stakeholder trust.

At Manappuram, we decided to constitute an independent committee of members, under the Chairmanship of Mr. Jagdish Capoor (former Deputy Governor of RBI and former Chairman of HDFC Bank) to enhance corporate governance standards.

The committee will review all relevant aspects of operations, systems, controls and organisational structure, including the Board composition and effectiveness. A leading law firm, Amarchand Mangaldas, will assist the committee in this independent review exercise.

We launched an ethics helpline service in collaboration with KPMG for improving corporate governance. In addition, we also entered into a contract with IBM to improve the IT support infrastructure to an international standard. These two initiatives will improve the quality of services extended to customers. This is perhaps the first time in India an NBFC has sought partnership with KPMG and IBM to improve the quality of its services.

Gold-driven excellence

Front-runner in the high-growth driven gold loan industry

Strong pan-India distribution network

Flexible gold loan schemes, high quality customer service and short response time

Consistent growth trajectory and impressive balance sheet, enable strong capital raising ability

Enjoys highest CRISIL rating (A1+) for short-term debt instruments, including commercial paper. For non-convertible debentures (NCD) issues, possess CRISIL (A+), ICRA (LA+), Brickwork (AA-) and CARE (A+)

Robust support system, IT infrastructure, appraisal process, internal audit, inventory control and safety systems

Experienced and professional management, supported by a motivated team, is taking Manappuram to greater heights of achievement

Multiple sources of low-cost funds by way of credit lines from 34 banks, unutilised limits with banks and financial institutions, commercial papers (short-term money markets), retail NCDs and bonds

SOUTH, THE GOLD HUB



SOUTHERN INDIA REPRESENTS THE LARGEST MARKET FOR GOLD LOANS, ACCOUNTING FOR 40% OF INDIA'S GOLD DEMAND, FOLLOWED BY THE WEST (~25%), NORTH (20-25%) AND EAST (10-15%). MOREOVER, SOUTH ACCOUNTS FOR 85-90% OF GOLD LOANS MARKET IN INDIA.

Endorsed by the silver screen

Brand Manappuram is endorsed by top stars from Bollywood and the film industries of Andhra Pradesh, Kerala, Karnataka, Tamil Nadu, Maharashtra, Odisha and West Bengal. These campaigns have enhanced our brand visibility, and earned a significant mind share among the rural and urban populace.



Venkatesh



Puneeth Rajkumar



Mohan Lal



Vikram



Akshay Kumar



Mithun Chakrabarty



Sachin Khedekar



Uttam Mohanty

Our Team represents our brand mettle

At Manappuram, we are enhancing our people competencies through prudent recruitment, continuous training and attractive reward mechanism to improve retention.



PEOPLE INITIATIVES

- ✦ Recruited 1,500+ branch managers and several regional managers (especially for audit and operations), strengthening operational parameters across branches
- ✦ Maintained a monthly training calendar for all business functions; to upgrade people knowledge in a constantly evolving industry scenario
- ✦ Enhanced focus on online training through weekly circulation of training modules across all branches
- ✦ Encouraged an online feedback mechanism for transparency
- ✦ Implemented a suggestion scheme for innovative thinking

- ✦ Offered Employee Stock Ownership Plan (ESOP) to senior and line managers to enhance their sense of ownership and belonging
- ✦ Sponsored 110 employees for MBA degree from Sikkim Manipal University
- ✦ Commenced an employee welfare cell to enhance employee engagement activities
- ✦ Possesses a dedicated team to redress employee grievances through online platform
- ✦ Plan to incorporate Total Quality Management (TQM) in collaboration with an external consultant to optimise resource productivity

A social commitment

Our social endeavours are conducted through the intervention of Manappuram Foundation at Valapad, Kerala. The Foundation has introduced free health insurance for people living below the poverty line at Thrissur district in Kerala.

JANARAKSHA MANAPPURAM HEALTH INSURANCE FOR BPL FAMILIES

The Janaraksha – Manappuram Free Health Insurance Scheme provides free health insurance to 20,000 BPL families across seven identified Panchayats around Valapad. In the two years since the scheme began, nearly 5,000 families have benefited, having been reimbursed a total amount of ₹ 32.5 million.

SAROJINI PADMANABHAN WOMEN EMPOWERMENT PROGRAMME

This initiative seeks to provide a sustainable source of income to rural women through the creation of Self-Help Group SHGs. These SHGs involve ownership and management of farming and farm-related activities in to generate sustainable income.

OTHER INITIATIVE

The Manappuram Foundation also provides financial assistance to needy individuals, charitable institutions, and other worthy causes. Over the last two years, the Foundation has disbursed a total amount exceeding ₹ 5 million on this account. Some of the major beneficiaries include the Alpha Pain and Palliative Care Clinic, Edamuttom, an independent institution that has specialised in palliative care and Santhi Medical Info Centre that provides free dialysis to the needy.



The Board



1 V. P. Nandakumar

58, Executive Chairman

He holds a masters degree in Science from Calicut University and is also a Certified Associate of Indian Institute of Bankers. He is the chief Promoter of the Manappuram Group of Companies and has in the past been associated with the banking industry in various capacities. He is the Chairman of the Equipment Leasing Association (India) and the Kerala Non-Banking Finance Companies Welfare Association. He has been the Director of our Company since July 15, 1992.

2 I. Unnikrishnan

48, Managing Director

He holds a bachelors degree in Commerce from Calicut University and is also a fellow member of the Institute of Chartered Accountants of India. He has, experience in rendering advisory services relating to NBFCs. He has in the past, worked with HAWA-MK Electrical Limited. He has been a Director of the Company since October 11, 2001. He was appointed as the Managing Director on October 1, 2006.

3 B. N. Raveendra Babu

60, Joint Managing Director

He holds a masters degree in Commerce from the Calicut University and completed his inter from the Institute of Certified Management Accountants. He has worked in a senior position in the Finance and Accounts Department of Blue Marine International in the U.A.E. He has been the Director of our Company since July 15, 1992. He was appointed as the Joint Managing Director on January 11, 2010.

4 V. R. Ramachandran

59, Independent and Non Executive Director

He holds a bachelors degree in Science from the Calicut

University and a bachelor's degree in law from the Kerala University. He has over 32 years of work experience and is a civil lawyer enrolled with the Thrissur Bar Association. He has been a Director of the Company since April 19, 2002.

5 A. R. Sankaranarayanan

85, Independent and Non Executive Director

He holds a masters degree in Science from Annamalai University and is a retired officer from the Indian Revenue Service. He has over 50 years of work experience and has in the past worked as Director of the Prime Minister's Secretariat, Managing Director of SAIL International Limited and Director of the Federal Bank Limited. He has been a Director of the Company since August 18, 2003.

6 P. Manomohan

70, Independent and Non Executive Director

He holds a bachelor's degree in Commerce from Kerala University and also a diploma in Industrial finance from Indian Institute of Bankers. He is also a Certified Associate of the Indian Institute of Bankers. He has over 38 years of work experience in the RBI and in the regulatory aspects of NBFCs. He has in the past held the post of General Manager of Reserve Bank of India. He has been a Director of the Company since August 18, 2003.

7 V. M. Manoharan

65, Independent and Non Executive Director

He holds a masters degree in Commerce from University of Kerala and holds a Doctor of Philosophy in International Business (Commerce) from Cochin University of Science and Technology. He has over 40 years of work experience and has, in the past, held the positions of Deputy Director, Collegiate Education, Thrissur Zone and Dean, KMCT school of Business, Kozhikode. He also held the position of Principal

in various Government Colleges in Kerala and was a Syndicate Member of University of Calicut. Presently, he is a member of the steering committee of Vidya International Charitable Trust, Thalakkottukara, Thrissur, and of the All India Management Association and the Association of Indian College Principals. He has been a Director of the Company since August 18, 2003.

8 M. Anandan

62, Independent and Non Executive Director

He holds a bachelors degree in Commerce from the Madras University and is a qualified Fellow Chartered Accountant. He has more than 30 years of work experience in the field of financial services. He has, in the past, worked with Chola mandalam DBS Finance Limited and with Chola mandalam MS General Insurance Limited as its Managing Director. He was also the Director in Charge of DBS Chola mandalam AMC Limited and DBS Chola mandalam Securities Limited. Currently, he is the Chairman of Aptus Value Housing Finance Limited and is on the Board of Equitas Micro Finance India Private Limited as a non executive director. He has been a Director of the Company since August 17, 2009.

9 Shailesh J. Mehta

63, Independent and Non Executive Director

He has completed his Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Mumbai, and holds a masters degree in science in Operations Research from Case Western Reserve University. He holds a Doctor of Philosophy degree in Operation Research and Human Letters from the California State University and in Operation Research and Computer Science from Case Western Reserve University. He has over 38 years of work experience and has held the positions of President, Granite Hill Capital Ventures, Chairman and Chief Executive Officer, Providian Financial Corporation, operating general partner, West Bridge Capital, President and Chief Operating Officer, Capital Holding and Executive Vice President, Key Corp (formerly Ameritrust). He has also held the positions of Chairman and Chief Executive Officer, Providian Financial Corporation and President and Chief Operating Officer, Capital Holding. He has been a Director of the Company since August 17, 2009.

10 Jagdish Capoor

72, Independent and Non Executive Director

He holds a masters degree in Commerce from Agra University and a fellowship from the Indian Institute of Banking and Finance. He has more than 39 years of work experience in banking and finance. He has, in the past, worked as the Deputy Governor of the Reserve Bank of India, Chairman of HDFC Bank, BSE, Deposit Insurance and Credit Guarantee Corporation of India, Unit Trust of India and also as a Director on the Boards of several commercial banks. Currently, he

is on the Board of Indian Hotels Company Limited, Assets Care Enterprise Limited, Indian Institute of Management, LIC Pension Fund Limited and is the Chairman of Quantum Trustee Company Private Limited. He has been a Director of our Company since July 20, 2010.

11 Gautam Saigal

46, Nominee and Non Executive Director

He holds a masters degree in commerce from the Calcutta University and is a qualified Chartered Accountant. He has over 19 years of work experience, of which over 13 years has been on the buy side private equity advisory services. He is the Managing Director of AA Indian Development Capital Advisory Services. Prior to this he co-led AIG Global Investment Group's private equity India advisory team, advising on private equity investments by various AIG Group sponsored funds in India. Earlier he was Vice President at SSKI Corporate Finance, Mumbai. He has served on the Board of several companies. Presently he is on the Board of Numero Uno Clothing, Siesta Logistics and Barflex Polyfilms Ltd. He has been a Director of the Company since August 17, 2009.

12 Sudhindar Krishan Khanna

59, Nominee and Non Executive Director

He has been Chairman of IEP Fund Advisors since 2008. Previously, he built Accenture's consulting and outsourcing businesses in India. He was also the country managing partner for the Middle East. During his 30-year tenure with Accenture, he consulted with the Chairmen/CEOs and Boards of Directors of most leading Indian corporate groups. He serves on the boards of directors of Innovative Foods, RG Stone, United Spirits, Peninsula Holdings and Canara HSBC Insurance. He is also the India President of WPO, a global organisation of more than 4,600 business leaders. He received his Bachelor of Arts (Honours) in Economics from St. Stephen's College (New Delhi) and is a Chartered Accountant (Valedictorian, from the Institute of Chartered Accountants of England & Wales).



Directors' Report



In the recent past, NBFCs engaged in the gold loan business have been registering fastest growth. Your Company is also witnessing substantial growth in terms of business volumes and human capital, and has acquired a pan India presence.



To,
The Members

Manappuram Finance Limited

Your Directors are pleased to present the 20th Annual Report on the working of the Company with the Audited Accounts and the Report of the Auditors for the financial year ended March 31, 2012.

1. FINANCIAL RESULTS

(In ₹ million)		
Description	2011-12	2010-11
Gross Income	26,558.45	11,815.26
Total Expenditure	17,786.39	7,576.30
Profit Before Tax	8,772.06	4,238.96
Provision for Taxes/Deferred tax	2,857.45	1,412.32
Net Profit	5,914.61	2,826.64
Profit b/f from previous year	2,319.84	917.13
Amount available for appropriations	8,228.97	3,743.75
Appropriations:		
Transfer to Statutory Reserve	1,182.92	565.33
Transfer to General Reserve	591.48	282.67
Transfer to Debenture Redemption Reserve	2,208.10	-
Transfer to Capital Redemption Reserve	-	--
Dividend on Preference shares	-	--
Interim Dividend on Equity Shares	420.55	--
Tax on Interim Dividend	68.21	-
Proposed Equity Dividend	841.15	500.25
Tax on dividend	136.45	81.14
Balance carried forward to next year	2,780.11	2,314.36

The comparative operational results shown above reveals the performance of the Company for the year under report and of the previous year. It is evident that the Company has achieved enviable results during the fiscal 2011-12 compared to that of the previous year. During the year under review gross total income of the Company rose to ₹ 26,558.45 million as against ₹ 11,815.26 million of the corresponding previous year marking an increase of 124.78%. Total expenditure for the year ended March 31, 2012 is ₹ 17,786.39 million as against ₹ 7,576.30 million of the previous year.

The Company has posted a record profit after tax of ₹ 5,915 million for the period under consideration as against ₹ 2,827 million of the previous year, signifying an increase of 109.23% over the net profit for the corresponding previous year.

2. DIVIDEND

Your Board is pleased to recommend a final dividend of ₹ 1 per equity shares (50%- per equity share of ₹ 2 each) on the paid up equity capital of the Company. On approval by the Members at the ensuing Annual General Meeting, the said dividend would be paid to those Members whose name appears on the Register of Members as on the date of Book Closure. The above final dividend includes a special dividend of 50paise per equity share as commemorative of 20th

Anniversary of the Company. Members may kindly recall that the Board has already declared an interim dividend of 50 paise per equity share during February 2012. Thus the total dividend for the year is ₹ 1.50 per equity share of ₹ 2 per share.

The total cash outflow exclusive of tax on account of equity dividend for the year 2011-12 would be ₹ 1,261.70 million (inclusive of interim dividend) as compared to ₹ 500.25 million during the previous year.

3. RAISING OF ADDITIONAL CAPITAL

During the year, Company has issued 1:1 bonus shares which resulted in the increase of shares by 416,874,188 nos. Further the Company has issued 7,404,760 shares to its employees under the ESOP 2009 scheme of the Company resulting in the paid up share capital increasing to ₹ 1,682,306,272 as on March 31, 2012.

4. CAPITAL AND RESERVES

Capital and Reserves of the Company as on March 31, 2012 stood at ₹ 23,810.08 million. During the year under review the Company transferred ₹ 1,182.85 million to Statutory Reserve

5. DEBENTURE REDEMPTION RESERVE

Members may recall that the Company had made a public issue of Redeemable Non Convertible Debentures during the year under review. The issue opened on August 18, 2011 and closed on August 26, 2011. The Company has issued debentures equivalent to ₹ 4,416 million to the successful applicants under the issue. The issue proceeds net of issue expenses have been utilised for the stated purpose being working capital for lending against the security of gold jewellery. Under section 117C read with the circulars issued thereunder the Company should create Debenture Redemption Reserve (DRR) out of its profits for the purpose of providing resources for redemption of debentures. During the year, your Company has transferred ₹ 2,208.10 million to DRR in compliance with the above provision out of the profits of the Company.

6. BUSINESS OUTLOOK

In the recent past, NBFCs engaged in the gold loan business have been registering rapid growth. Your Company is also witnessing substantial growth in terms of business volumes and human capital, and has acquired a pan India presence. The future for the Company remains robust. Recently, Reserve Bank of India (RBI) has issued a circular on March 21, 2012 amending the Non-Banking Financial (Non-Deposit Accepting or Holding) companies Prudential Norms (Reserve Bank) Directions, 2007 to the effect that all NBFCs shall maintain a Loan- to Value (LTV) ratio of 60 % for loans granted against the collateral of gold jewellery. In line with the latest regulatory measures and encouraged by the Company's success so far, we have shaped our business plan for the financial year 2012-13 which will help to realise our long term strategy to 'energise' at least 10% of the vast privately held gold reserves in the country. For this, it is necessary to develop a country-wide presence to be close to the customers.

Your Company provides credit, the average size of which is ₹ 38,582. Your Company has decided to make a way in to innovative products, improved relationship management, brand building, efficient customer service, better use of technology and reduced operational costs which will become the hallmark of successful NBFCs in future.

7. RESOURCES

Your Directors could successfully mobilise ₹ 4,416 million from whole sale debt market by issue of listed Non convertible Secured Debenture. The Company was also successful in mobilising funds from the issue of debentures to both retail and institutional investors and from instruments like Commercial Paper.

Details of resources raised during the year under review are given below:

a) Secured Redeemable Non-Convertible Debentures

Your Company continues to issue fully secured redeemable convertible debentures of ₹ 1000/- each on private placement basis, both retail and institutional. During the year, your Company has raised ₹ 4416 million from the public issue of NCDs. The outstanding balance of Debentures including interest accrued and due as on March 31, 2012 amounts to ₹ 14,739.56 million. The debentures issued on private placement basis are secured by a floating charge created on the receivables and other current assets of the Company. The Company has appointed Trustees to see that the interests of debenture holders are well protected.

b) Unsecured Bonds.

The Company has issued unsecured Subordinated Bonds in the nature of Promissory Notes on private placement basis. These Bonds will be treated as Tier II Capital as per RBI norms. The outstanding figure of these bonds as on March 31, 2012 amounted to ₹ 4,266.84 million.

c) Assignment of Receivables

The Company has procured funds through assignment of receivables to Banks and Financial Institutions during the year. The aggregate amount assigned as at March 31, 2012 is ₹ 1916.36 million.

d) Commercial Paper (CP)

During the year, the Company made several issues of the CPs and the outstanding figure of these CPs as on March 31, 2012 amounted to ₹ 232 million.

8. COMPLIANCE WITH NBFC REGULATIONS

Your Company has complied with all the regulatory provisions framed by Reserve Bank of India for Non-Banking Financial Companies. The Capital Adequacy Ratio of the Company

as on March 31, 2012 is 23.38 % as against the statutory requirement of 15%.

However, on 1st February, 2012, the Company received a letter from Reserve Bank of India (RBI) directing the Company to disassociate, its name, officials, and infrastructure from that of any other group concerns carrying on financial activities. The Company has complied with all the directions issued by RBI with the professional assistance of reputed corporate legal firm and management consultants and updated the progress regularly to RBI.

9. IMPORTANT REGULATORY DEVELOPMENTS

In order to further strengthen the existing regulatory framework, Reserve Bank of India (RBI) has issued revised guidelines amending the existing the Fair Practices Code (FPC). Accordingly, as required under the guidelines, the Board of Directors of the Company at its meeting held on 24th April, 2012, has approved a new Fair Practices Code. The Company has posted the new Fair Practices Code at its website at www.manappuram.com. Further, as required under the said guidelines, the Company has put in place an elaborate Customer Grievance Mechanism, a revised Loan Policy and a revised Auction Policy.

10. DIRECTORS

Retirement of Directors by Rotation

- 1) Mr. A.R Sankaranarayanan, Director, retires by rotation and he is eligible for re-appointment.
- 2) Adv.V.R.Ramachandran, Director, retires by rotation and he is eligible for re-appointment.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO - INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

The Company does not have any activity relating to conservation of energy or technology absorption.

The Company holds AD Category II licence from the Reserve Bank of India for its foreign exchange operations. Following are the details of foreign exchange earnings and outgo during the period covered by this report:

Foreign Exchange Earnings : Nil
Foreign Exchange Outgo : Nil

12. PARTICULARS OF EMPLOYEES

Particulars of the employees covered by the provisions of section 217 (2A) of the Companies Act, 1956 read with Company's (Particulars of Employees) Rules, 1975 is as under:

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANY'S (PARTICULARS OF EMPLOYEES) RULES, 1975

Name	Designation	Age	Remuneration Received	Date Of Joining	Experience In Years
Mr. V.P. Nandakumar	Executive Chairman	58	2,52,00,000	15.07.1992	32
Mr. I. Unnikrishnan	Managing Director	48	1,12,80,000	01.10.2006	22
Mr. B.N. Raveendra Babu	Joint Managing Director	60	91,20,000	17.08.2009	34

13. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby declares that:

- In the preparation of Annual Accounts for the financial year ended March 31, 2012, applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 and of the profit of the Company for that period.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts for the year 2011-12 on a going concern basis.

14. AUDITORS

The Statutory Auditors M/s S.R. Batliboi & Associates, Chartered Accountants, (Firm Registration Number- 101049W, (TIDEL Park, 6th and 7th Floor - A Block, Module 601, 701-702, No 4 Rajiv Gandhi Salai, Taramani, Chennai 600 113, India, Office: + 91 44 6654 8100) retires at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

15. REPORT ON CORPORATE GOVERNANCE

Your Company has been practicing principle of good Corporate Governance over the years. The endeavor of the Company is not only to comply with the regulatory requirements but also practice good Corporate Governance that lays strong emphasis on integrity, transparency and overall accountability. A separate section on Corporate Governance along with a certificate from the Statutory Auditors confirming compliance is annexed and forms part of this report.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report is attached and forms an integral part of the Report of the Board of Directors.

17. ACKNOWLEDGEMENT

Your Directors acknowledge and place on record its sincere appreciation and gratitude to the employees of the Company at all levels for their dedicated service and commitments, to the Reserve Bank of India, Rating Agencies, Stock exchanges, Governments and its statutory agencies for the support, guidance and co-operation, to the Investors, shareholders Banks and other financial institutions and customers for the whole hearted support and confidence reposed on the Company and the management and to the general public at large for their blessings and good wishes the Company have been receiving in good measure over the years.

For and on behalf of the Board of Directors

Place: Valapad
Date: May 18, 2012

V.P.Nandakumar
Executive Chairman

Annexure to the Directors' Report

Disclosures in terms of Clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

SL No.	Particulars	Disclosures- ESOP 2009	
a	Options granted.	82,95,000	
b	Pricing Formula	The exercise price may be decided by the Nomination, Compensation and Corporate Governance Committee of the Board in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendments thereto.	
c	Options Vested	50% of the above Options has already vested on August 16, 2010 and the balance on August 16, 2011.	
d	Options Exercised during the year.	74,04,760	
e	Total no. of shares arising as a result of exercise of Options.	74,04,760	
f	Options lapsed	6,95,000	
g	Variation in terms of Options	The criterion for expiry of Exercise Period has been amended as 'Not later than 4 years from the date of vesting of Options for continuing Employees' at the Extra-Ordinary General Meeting held on 22.04.2010 and the number of Options have been proportionately increased in view of the Subdivision and Bonus issue.	
h	Money realised by exercise of Options	₹ 12,26,22,826	
i	Total number of Options in force	1,20,000	
j	Employee wise details of Options granted to:		
	(i) Senior Management	Name	No. of Options
		Mr. I.Unnikrishnan	1200000
		Mr. B.N.Raveendra Babu	1000000
		Mr. P.Manomohan	300000
		Dr. V.M.Manoharan	300000
		Mr. A.R.Sankaranarayanan	300000
		Adv. V.R.Ramachandran	300000
		Mr. M.Anandan	300000
		Mr. Shailesh J Mehta	300000
	(ii) Any other employee who receives a grant in any one year of Option amounting to 5 per cent or more of Option granted during that year	Nil	
	(iii) Employees who were granted Option, during any one year, equal to or exceeding 1 per cent of the issued capital (excluding warrants and conversions) of the Company at the time of grant	Nil	

SL No.	Particulars	Disclosures- ESOP 2009																					
k	Diluted earnings per share pursuant to issue of shares on exercise of Options calculated in accordance with AS 20 'earnings per share'	₹ 7.03																					
l	Where the Company has calculated the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	<p>The difference between the employee compensation cost computed in accordance with intrinsic value adopted by the Company and fair value is ₹ 11.72 million.</p> <p>Had the Company adopted the fair value model, the net profit after tax would have been ₹ 5902.89 million as against the reported amount of ₹ 5914.61</p> <p>The Basic EPS would have been ₹ 7.05 as against the reported figures of ₹ 7.06 .</p> <p>The Diluted EPS would have been ₹ 7.02 as against the reported figures of ₹ 7.03.</p>																					
m	Weighted-average exercise prices and weighted-average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock on the grant date.	The exercise price is ₹ 33.12.																					
n	Description of method and significant assumptions used to estimate the fair value of Options	<p>The fair value of options was estimated at the date of grant using the Black-Scholes method with the following assumptions:</p> <table> <tr> <th>Particulars</th><th>Vesting I August 16, 2010</th><th>Vesting II August 16, 2011</th></tr> <tr> <td></td><td>50%</td><td>50%</td></tr> <tr> <td>Risk-free interest rate</td><td>6.15%</td><td>6.53%</td></tr> <tr> <td>Expected life</td><td>3 years</td><td>4 years</td></tr> <tr> <td>Expected volatility</td><td>67.11%</td><td>66.62%</td></tr> <tr> <td>Expected dividend yield</td><td>2.76%</td><td>2.76%</td></tr> <tr> <td>Share price on the date of grant</td><td>₹ 331.15 /-</td><td>₹ 331.15 /-</td></tr> </table>	Particulars	Vesting I August 16, 2010	Vesting II August 16, 2011		50%	50%	Risk-free interest rate	6.15%	6.53%	Expected life	3 years	4 years	Expected volatility	67.11%	66.62%	Expected dividend yield	2.76%	2.76%	Share price on the date of grant	₹ 331.15 /-	₹ 331.15 /-
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Management Discussion and Analysis Report



Consumption of gold remains strong in rural India, and it is the preferred asset class for those in the lower levels of the socio-economic pyramid as well.



1. ECONOMIC OUTLOOK

The year 2011-12 was marked by an economic slowdown much against the optimism that reigned at the beginning of the fiscal year. The Union Budget 2011-12 was premised on a growth of 9% in our Gross Domestic Product (GDP). However, the actual achievement fell short substantially with recently published data pointing to a growth of only 6.5% for the entire year. Even more worrying is the trend, with the growth rate falling to 5.3% during the fourth quarter, and hitting a nine-year low. The slowdown had an adverse impact on the government's finances as revenues fell way below the budget estimates, while expenditure overshot the estimates on account of food and fuel subsidies. India's fiscal deficit has now moved into a danger zone at 5.8% of GDP.

Moreover, inflationary pressures remained high for most of the year and often breached the double-digit mark. Some amount of moderation in inflation was witnessed in the final quarter, which enabled the Reserve Bank of India (RBI) to announce a 50 basis points cut in policy rates in April 2012, after earlier having pushed through 13 consecutive rounds of hikes in policy rates.

Notwithstanding the limited success achieved in reining in inflation, the fact remains that 2011-12 saw the macro-economic fundamentals of the Indian economy come under severe strain. India's current account deficit ballooned to an estimated 4% of the GDP largely due to a record trade deficit of US\$ 185 billion, with imports of oil and gold leading the way. Moreover, with corporate profitability under strain and a lacklustre stock market, foreign portfolio inflows were muted. This has put the Indian rupee further under pressure, falling from levels of ₹ 45 per US\$ in July 2011 to a low of about ₹ 54 per US\$ by December.

Outlook for Fiscal Year 2012-13 is mixed, with a downward bias. After the dismal fourth quarter performance, private sector economists are busy downgrading their GDP growth estimates for 2012-13 to a level of about 6.5%.

Key economic concerns during FY 2011-12:

- ✦ Increase in international petroleum prices led to a widening of the trade gap. Moreover, the general inability of the government to pass on increased costs to the domestic consumer bloated its subsidy bill and contributed to the widening fiscal deficit. Some relief is seen in the current year as crude prices have been declining as the Eurozone economies lapsed into lower growth and recession.
- ✦ Current account deficit at 3.9% is well above the danger level of 3%. Prospects appear brighter in the current fiscal year with falling crude prices and reduction in gold imports (following increased customs duty).
- ✦ The Eurozone debt crisis has severely dented export prospects and contributed to the rising trade deficit. In fact, after being buoyant during the first half of 2011-12, exports tapered off in the second half as the European economies lost steam. And with Europe unlikely to stage a full recovery soon, exports are likely to be weak in the current year as well.
- ✦ There's been a continuous slowdown in the Indian economy with GDP growth decelerating in each of the four quarters in FY 2011-12. Growth in Oct-Dec quarter was recorded at only 6.1%, followed by a dismal 5.3% during Jan-Mar quarter.

- ✦ Successive hikes in policy rates by RBI significantly increased borrowing costs and suppressed demand, thus negatively impacting corporate profitability.
- ✦ Foreign portfolio investments remained relatively muted on account of slowing growth and an uncertain policy environment. The serious depreciation of the Indian rupee vis-a-vis the US dollar, beginning in August 2012, has muddied the waters even more.
- ✦ While some success was achieved in moderating inflationary pressures towards the year end, it is believed the economy is yet to grapple with suppressed inflation from the failure to pass on increased prices of petroleum products to the domestic consumer.

At the same time, it is important to note that many analysts retain a sense of optimism about the current year 2012-13. This can be attributed to an expectation of sizable cuts in interest rates by RBI to come, over signs that inflationary pressures in the economy have peaked, and on concerns over growth slowdown. However, while there's no doubt that a reversal in the cycle of rate hikes will be extremely important for higher economic activity, possibilities remain that inflationary pressures may re-emerge and play a spoil sport. The depreciation in the Indian rupee, which has pushed up the prices of essential imports such as crude oil, can also stoke inflationary fires.

2. THE GOLD LOANS SECTOR

Scenario for Gold and Gold Loans: The US dollar is regarded as a safe-haven currency across the world. However, post-global financial crisis of 2008, Gold has emerged as the new safe-haven asset, which safeguards investors from deeply depreciation currencies the world over. Gold is considered as a "must own" in all portfolios and globally the demand for gold has increased considerably post 2008. As gold has been continually outperforming all other asset classes in last five years, it is now widely regarded as among the best investment asset in an uncertain environment. And with the global economic environment deteriorating, gold is likely to hold its importance and may even rise further in value. Not surprisingly then, analysts indicate a further rise in gold prices. Moving forward, this is a positive for gold loan companies across India.

The slow pace of economic reforms in India and lack of FII and FDI inflows exerted pressure on the Indian Rupee which has depreciated over 20% since August 2011. Gold prices are determined in the international market and the depreciation of the rupee further increases gold prices in rupee terms.

Consumption of gold remains strong in rural India, and it is the preferred asset class for those in the lower levels of the socio-economic pyramid as well. Investing in gold is like a tradition. Gold continues to be an important financing asset for those with no access to the banking system or financial markets. Gold loan companies cater to the credit demand of this section of society and prevents them from falling prey to loan sharks charging exorbitant interest rates. Though our Company has a pan-India presence, it caters largely to the lower socio-economic classes, as indicated by the average ticket size of gold loans. Majority of the disbursements happen in semi-urban and rural India. Owing to favourable monsoons and the rural thrust in government spending, higher growth rate can be expected in rural India, which augurs well for companies such as Manappuram Finance Ltd. catering to this segment of the market.

The organised gold loans sector: India's organised gold loan industry has grown rapidly in the last two decades. Fiscal year 2011-12 commenced on a good note with gold loan NBFCs reporting gains in volumes as well as market shares. However, the fourth quarter saw the sector facing strong headwinds, with the RBI ushering in new regulations that altered the rules of the game. The banking regulator imposed a 60% cap on LTV for gold loans given by NBFCs, besides tightening bank lending norms with a cap of 7.5% of a bank's net worth towards loans to any one gold loan NBFC. KYC norms were also made stricter.

These sweeping changes in the regulatory landscape not only led to greater accountability for existing players, but also make things difficult for new entrants. The Company has complied with the new guidelines, though there's no denying these changes have impacted short-term growth prospects for gold loan NBFCs.

A working group committee has been formed by RBI under the leadership of Mr. K.U.B. Rao to examine current practices of gold loan NBFCs, assess influence of gold loans on gold imports, study trends in gold prices and also examine whether gold loan NBFCs have any role to play in influencing gold prices. The committee is expected to release its report by July.

Even as the gold loan sector witnessed extreme turbulence, Manappuram Finance Ltd. emerged stronger from the diverse and unique challenges it faced, pointing to the fact that it has a sound business model. Gold Loan financing is a window that provides finance to those at the lower end of the socio-economic pyramid for their immediate personal and business needs. The company's business model is geared up to satisfy their business needs, as indicated by our average ticket size of ₹ 38,582. The Company takes pride in the significant role it plays in bridging the gap between urban and rural India.

3. COMPANY OVERVIEW

Established in 1992, Manappuram Finance Ltd is one of India's leading NBFCs providing financial services, including gold loans, foreign exchange services and remittances. Through its 20 years of operations, the Company has maintained a consistently rapid pace of growth, demonstrating its ability to scale up and to leverage its well-established brand name, built up over the last two decades.

The Company has 2,908 branches across 22 states and 4 Union Territories and manages assets worth ₹ 116,308 million with a live customer base of 1.64 million. The Company has spent over ₹ 1,800 million on advertising and brand building campaign in the last two years and has taken on board some of the most well known celebrities as its brand ambassadors, making it a nationally recognised brand. Today, the Manappuram brand stands for trust, reliability and excellent service, and repeat customers account for up to 80% of total business, which bears testimony to the strength of the brand and the loyalty it commands.

4. OPPORTUNITIES

The core business of the Company, of providing gold loans, offers immense growth potential. The World Gold Council (WGC) estimates privately held gold stock exceeding 18,000 tonnes in India. The Company aims to impart liquidity to at least 10% of this stock. To stay on course with this vision,

the Company has expanded its branch network from 2,064 branches (March 31, 2011) to 2,908 branches as on March 31, 2012.

Efforts have also been taken to improve its quality of operations, such as a tie-up with IBM with July 2011 to strengthen its IT infrastructure. The Company is largely immune to problems of recovery and of non-performing assets (NPAs) as most of the lending is done in the gold loan segment. Though successive rate hikes by RBI increased borrowing costs, commercial banks have been more than forthcoming in extending financial assistance.

The continuing firmness in gold prices offers good support to the Company's gold loan business. Moreover, indications for the current year are that gold prices in India will hold its level even if international prices decline, given the possibility of further depreciation in the Indian rupee.

5. THREATS

Recent regulatory interventions, particularly with regard to the cap on LTV for gold loans and tightening of capital adequacy norms, have altered the rules of the game, somewhat to the disadvantage of gold loan NBFCs. Rating agency Crisil expects the new regulations to reduce industry growth rate to 20-25% a year. The unorganised sector also poses a challenge to the Company. The Crisil report noted that some unregistered firms offered as high as 90% of the total value of pawned gold as loan, as against an industry average of 75%, and expected a share of business to shift to the unorganised sector. The note also suggests that gold loan NBFC may reduce pricing to protect market shares to prevent a shift to the unorganised segment, which can moderate their profitability. However, the new regulations will prove positive for the industry and lower LTV ratios may strengthen their asset quality, owing to increased ability to absorb volatility in gold prices.

Impact on the Company: Following the RBI directive, the Company carried out an internal stock taking exercise that compared its current gold loan AUM with the total weight of gold held as security. The overall LTV stood at about 67%. The new regulations are expected to bring down LTV by 6-7%. This may translate into lower credit growth and also lead to a fall in yield by 2-3% as loans at lower LTVs command lower pricing.

Some other important issues arising from RBI's directive are as below:

Threat of loss of business to banks and unorganised sector:

The general impression is that lower LTVs may put gold loan NBFCs at a significant disadvantage vis-a-vis commercial banks and money lenders. However, we do not share this view. As a product class, gold loans have gained wide acceptance in recent years mainly due to the multiple conveniences offered by this product class. As gold loans are usually small ticket loans availed for short periods, gold loan customers have prioritised factors such as hassle-free experience with minimum formalities, quick turn-around time and easy access to branch network. In general, commercial banks have been unable to match NBFCs on these counts. This is particularly true in the case of public sector banks which otherwise have the advantage of a wider reach. Private banks are handicapped due to the lack of an extensive branch network.

As far as a likely shift to the unorganised sector is concerned, we do expect a certain amount of churn. However, we also strongly believe that our customers, who are accustomed to our service, credibility and higher standards of transparency, may find it difficult to reconcile to the practices of the unorganised sector.

Impact on growth: The recent growth achieved by gold loan NBFCs has emanated from two major sources:

- a) New customers attracted from a class of relatively better off gold owners, who earlier despised the idea of pawning gold. This is a relatively more demanding class which puts a premium on time and convenience and is, therefore, likely to be put off by cumbersome procedural formalities at commercial banks. Moreover, they are highly unlikely to move to the unorganised sector fearing lack of credibility and transparency.
- b) Customers won over from the unorganised sector, who were originally drawn to the gold loan NBFCs by the lower prices along with good service and high levels of transparency and credibility. A part of the attraction, no doubt, was that they did not lose out on the LTV of their limited gold. Consequently, this class presents a greater challenge. While the decrease in interest rates (due to lower LTV) would be a bonus, some "LTV sensitive" customers may choose to go back to the unorganised sector, adversely impacting growth.

6. RISKS AND CONCERNS

The Company has put in place a mechanism to minimise operational risks through effective control systems which call for constant review and an ongoing internal audit. Our risk management framework aims to identify the diverse risks faced by the Company and come up appropriate mitigation strategies. Our Internal Audit Team, which reports directly to the Audit Committee of the Board, undertakes a comprehensive audit of functional areas and operations at all the branches. Having successfully completed migration of its technological base to the Dotnet platform, the Company has also set up an off-site surveillance system to make its internal control systems more risk-proof. Managing risks in credit, interest rates, and liquidity, form critical components of our risk management system. The Company has in place rigorous norms for credit disbursal through the Lending Policy Framework. An asset-liability management model has been developed to measure and manage interest rate and liquidity risks and these are discussed and reviewed periodically at Risk Management Committee meetings.

Other concerns: The RBI issued a notice in February 2012 that faulted the Company for accepting deposits from the public after becoming a non-deposit taking NBFC in March 2011. The management clarified that the Company had stopped accepting public deposits since March 2011, but it continued to accept subscriptions to its secured Non-Convertible Debentures (NCD), which is permissible. There was another issue regarding the permissibility of acceptance of deposits by a proprietary concern owned by Mr. V.P. Nandakumar, Executive Chairman, in his personal capacity. The Company has since been informed by Mr. Nandakumar that these deposits were placed in an escrow account with a nationalised bank, a bulk of which has since been repaid. This development has also been advised to the RBI.

In the light of these developments, a Board Meeting was called for on February 10, 2012, which discussed the corporate governance issues. The Board directed the Company to take all the necessary measures in order to fully address the concerns raised by the RBI. In particular, the Company plans to take steps to ring fence its own operations from that of other promoter owned or controlled entities to avoid overlapping of assets, branches or personnel between these entities.

Also, in order to enhance corporate governance, the Board constituted an independent committee of its members under the chairmanship of Mr. Jagdish Capoor (former Deputy Governor, RBI; Former Chairman, HDFC Bank). The committee was given the mandate to review the operations, systems, controls and organisation structure, including Board composition and effectiveness. Amarchand Mangaldas, a leading law firm, has been roped in to assist the committee with the independent review exercise.

7. DISCUSSION ON FINANCIAL PERFORMANCE

Considering profit growth and overall performance, the Board of Directors have recommended a dividend of 50% (i.e. ₹1/-per equity share of ₹ 2/- each) on the paid-up capital of the Company. It may be noted that in February 2011, the Company paid an interim dividend of 25% (i.e. ₹ 0.50 per equity share).

During the year under review, income from operations more than doubled from ₹ 11,654 million in 2010-11 to ₹ 26,155 million in 2011-12. Profit after tax registered a smart increase of 109%, moving up to ₹ 5,915 million, as against ₹ 2,827 million recorded in the previous fiscal year. The company ended the year with an AUM of ₹ 116,308 million, which registered a healthy growth of 54% over last fiscal.

8. CAUTIONARY STATEMENT

Statements in this report pertaining to the Company's objectives, projections, estimates, exceptions and predictions are forward-looking statements subject to the applicable laws and regulations. These statements may be subject to certain risks and uncertainties. The Company's operations are affected by many external and internal factors which are beyond the control of the management. Therefore, the actual position may differ from those expressed or implied. The Company assumes no obligation to amend or update forward looking statements in future on the basis of new information, subsequent developments or otherwise.

For and on behalf of the Board of Directors

Place: Valapad
Date: May 18, 2012

V.P.Nandakumar
Executive Chairman



Report on Corporate Governance



The objective is not merely compliance, but also to uphold transparency and integrity in all its operations, thereby optimising shareholder value.



COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance standards of the Company place strong emphasis on transparency, accountability and integrity in all the business activities of the Company. The objective is not merely compliance, but also to uphold transparency and integrity in all its operations, thereby optimising shareholder value. The Company believes that its business plans and strategies should be consistent with the above objective leading to sustained corporate growth and long-term benefit to all. The Company follows this principle meticulously in all its business dealings and decisions.

The Company has complied with all mandatory requirements of corporate governance as detailed in the Clause 49 of the listing agreement. The Company has also complied with some of the non-mandatory requirements, details whereof are given in the following paragraphs.

BOARD OF DIRECTORS

There are twelve directors in the Board of the Company having varied nature of experience and expertise in their respective areas. The composition of the Board meets the criteria as prescribed in Clause 49 of the Listing Agreement. This composition also fulfills the norms issued by Reserve Bank of India in this regard. Out of the twelve directors, three are executive directors, two are nominee directors and seven are independent directors.

During the financial year 2011-12, the Board met on nine occasions viz. 28-04-2011, 31-05-2011, 06-07-2011, 27-07-2011, 03-11-2011, 29-12-2011, 02-02-2012, 10-02-2012, and 21-03-2012. The details of participation in the meetings and other relevant information are given in the below statement.

Name & Category of Director	No: of Board Meetings attended	Whether attended the last AGM	Details of membership in Committees of the Board*	Share Holding of Non-Executive Directors	Director ships in other Public Limited Companies
1 Mr. V.P Nandakumar Chief Promoter & Executive Chairman	8	Yes	Nomination, Compensation & Corporate Governance Committee	-	5
2 Mr. I Unnikrishnan Managing Director	8	Yes	NIL	-	1
3 Mr. B.N.Raveendra Babu Joint Managing Director	9	Yes	Nil	-	2
4 Adv.V.R.Ramachandran Independent & Non Executive Director	8	Yes	Share Holder's Grievance Committee	1526000	Nil
5 Mr. A.R.Sankaranarayanan Independent & Non Executive Director	9	Yes	Audit Committee & Nomination, Compensation & Corporate Governance Committee	900000	Nil
6 Mr. P. Manomohanan Independent & Non Executive Director	9	Yes	Audit Committee & Share Holder's Grievance Committee	1635582	Nil
7 Dr. V.M.Manoharan Independent & Non Executive Director	9	Yes	Share Holder's Grievance Committee	965000	1
8 Mr. M.Anandan Independent & Non Executive Director	8	No	Audit Committee & Nomination, Compensation & Corporate Governance Committee	755000	2
9 Mr. Shailesh. J. Mehta Independent & Non Executive Director	4	No	Audit Committee & Nomination, Compensation & Corporate Governance Committee	657000	6
10 Mr. Jagdish Capoor Independent & Non Executive Director	7	No	Nomination, Compensation & Corporate Governance Committee	2000	6
11 Mr. Gautam Saigal Nominee & Non Executive Director	5	No	Audit Committee & Nomination, Compensation & Corporate Governance Committee	-	3
12 Mr. Gaurav Mathur # Nominee & Non Executive Director	4	No	NIL	-	3

* Membership of Audit Committee, Nomination Compensation and Corporate Governance Committee and Share Holders Grievance Committee only are shown.

Mr. Gaurav Mathur, the nominee director of Hudson Equity Holdings Limited, has resigned from the Board w.e.f May 17, 2012 and Mr. Sudhindar Krishan Khanna was appointed in place of him as the new nominee director of Hudson Equity Holdings Limited.

Change in the Board of Directors during the year 2011-12

There was no change in the composition of the Board of Directors during the financial year 2011-12.

COMMITTEES OF THE BOARD

a. Audit Committee

The Company has constituted a qualified and independent Audit Committee as required under Section 292A of the Companies Act, 1956, and in fulfilment of the requirements of clause 49 of the Listing Agreement. The Committee also fulfils the guidelines issued by the Reserve Bank of India in this regard.

The Committee has five members eminently qualified to handle accounts, finance, audit and legal matters. The Company Secretary acts as the Secretary of the Audit Committee. The terms of reference of the Committee shall be the same as those mentioned in the Listing Agreement, as given below:

Terms of Reference:

- 1) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board the appointment, reappointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing with management the annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required to be included in the Directors Responsibility Statement to be included in the boards report in terms of clause 2AA of section 217 of the Companies Act 1956.
 - b. Changes if any in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.

- d. Significant adjustment made in the financial statement arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to the financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- 5) Reviewing with the management the quarterly financial statements before submission to the board for approval.
 - 6) Reviewing with the management performance of the statutory and internal auditors and adequacy of the internal control system.
 - 7) Reviewing the adequacy of internal audit function if any including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - 8) Discussion with internal auditors regarding any significant findings and follow-up thereon.
 - 9) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - 10) Discussion with statutory auditors before audit commences about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
 - 11) To look into the reasons for substantial defaults in the payments to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - 12) To review the function of whistle blower mechanism in case the same exists.
 - 13) Carrying out any other function as mentioned in the terms of reference of audit committee.

The Audit Committee met four times during the financial year 2011-12 viz. 28-04-2011, 26-07-2011, 02-11-2011 and 01-02-2012. The constitution, record of attendance of meetings and other details of the Audit Committee of the Company are below:

Name of the Member	Position	Status	No. of meetings attended
1. Mr. M . Anandan	Chairman	Independent and Nonexecutive	4
2. Mr.P.Manomohan	Member	Independent and Nonexecutive	4
3. Mr.A.R.Sankaranarayanan	Member	Independent and Nonexecutive	4
4. Dr.Shailesh J Mehta	Member	Independent and Nonexecutive	3
5. Mr.Gautam Saigal	Member	Nominee and Nonexecutive	4

b. Nomination, Compensation & Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee of the Company was constituted to oversee the Compliance with the Reserve Bank of India's Circular No. DNBS/PD/CC/94/03.10.042/2006-07 dated May 08, 2007 to ensure that only capable professionals are appointed as directors. The Committee also meets the requirements of the Clause 49 of the Listing Agreement.

The main role of the Committee to determine on behalf of the Board and on behalf of the Shareholders, the Company's policies on specific remuneration packages for Executive Directors, including pension rights and any compensation payments.

The Committee is chaired by a Non-Executive Director with other members as mentioned below:

1. Mr. A.R.Sanakaranarayanan	Chairman [Non-Executive]
2. Mr. V.P.Nandakumar	Member [Executive]
3. Mr. Shailesh J Mehta	Member [Non Executive]
4. Mr. M.Anandan	Member [Non Executive]
5. Mr. Jagdish Capoor	Member [Non Executive]
6. Mr. Gautham Saigal	Member [Nominee]

Details of meetings held and resolution passed by circulation by the Committee during the financial year 2011-12 are given in the following table

Date of Meeting	Members Attended	Item Discussed	Remarks
28-04-2011	1. Mr. A.R.Sankaranarayanan 2. Mr. V.P.Nandakumar 3. Mr. P. Manomohanan 4. Mr. M.Anandan 5. Mr. Gautham Saigal	Managerial Remuneration	1. Payment of Commission to Non-Executive Directors for the Financial year 2010-11. 2. Payment of Commission to Executive Directors for the Financial year 2010-11. 3. Commission to Non-Executive Directors for the Financial Year 2011-12. 4. Commission to Executive Directors for the Financial Year 2011-12. 5. Remuneration to Executive Directors for the financial year 2011-12. 6. ESOP 2009 – Streamlining the Allotment.

Details of Remuneration paid to Directors during the financial year 2011-12

Sl No	Name of Director	Sitting Fees		Salaries and other allowances	Commission	Total
		Board Meeting	Committee Meetings			
1	Mr V.P.Nandakumar	-	-	2,52,00,000	-	2,52,00,000
2	Mr I. Unnikrishnan	-	-	84,00,000	28,80,000	1,12,80,000
3	Mr B.N.Raveendra Babu	-	-	67,20,000	24,00,000	91,20,000
4	Adv.V.R.Ramachandran	1,60,000	-	-	4,00,000	5,60,000
5	Mr.A.R.Sankaranarayanan	1,80,000	82,500	-	4,00,000	6,62,500
6	Mr P.Manomohanan	1,80,000	75,000	-	4,00,000	6,55,000
7	Dr.V.M.Manoharan	1,80,000	-	-	4,00,000	5,80,000
8	Mr M.Anandan	1,60,000	82,500	-	4,00,000	6,62,500
9	Mr Shailesh J Mehta	80,000	62,500	-	4,00,000	5,42,500
10	Mr.Jagdish Capoor	1,40,000	-	-	4,00,000	5,40,000

Criteria for remunerating Non-Executive Directors:

Decisions relating to the remuneration of Non Executive Directors are taken by the Board of Directors of the Company. Independent/Non-Executive directors were paid sitting fees of ₹ 20,000/- per meeting. At the AGM held on August 18, 2011, the shareholders had approved payment of commission at a rate not exceeding one percent of the net profits of the Company to the Non-Executive Directors. Each year, the Board determines the amount of commission to be paid to directors based on the recommendation of the Nomination, Compensation and Corporate Governance Committee of the Company. The amount of commission payable is based on their contribution to the growth and development of the Company.

c. Shareholders' Grievance Committee

The Company has constituted a Shareholders' Grievance Committee to monitor investor complaints/grievances pertaining to non-receipt of share certificate, dividend, Annual Report etc. The Committee shoulders the responsibility for expeditious settlement on investor complaints and reporting the same to the Board periodically.

During the period under review the Company had received 12 complaints from investors. All complaints received up to the date of this report have been settled.

The Constitution of the Committee are given below:

- 1) Adv. V.R.Ramachandran - Chairman
- 2) Mr. P.Manomohan - Member
- 3) Dr.V.M.Manoharan - Member

Other relevant details are given below:

Name and designation of Compliance Officer Mr. Rajesh Kumar K, Company Secretary

All the 12 complaints of non receipt of dividend, share certificate etc. received during the period was settled and there is no outstanding complaints as on date.

OTHER COMMITTEES**i) Risk management Committee**

The Company has constituted a Risk Management Committee to review on an ongoing basis the measures adopted by the Company for the identification, measurement, monitoring and mitigation of the risks involved in various areas of the Company's functioning. The Committee is chaired by an independent director with three other directors as members as detailed below:-

- 1) Mr P. Manomohan - Chairman
- 2) Mr.V.P. Nandakumar - Member
- 3) Mr I. Unnikrishnan - Member
- 4) Mr B.N. Raveendra Babu - Member

The Committee deliberates on the various aspects of risk related to its business. In relation to its business of gold loans, such risks may include appraisal risk, custodial risk, competition risk, price fluctuation risk etc.

ii) Business Planning and Development Monitoring Committee

The Committee was constituted to formulate and review business plans and analyze the expenses incurred by the Company as a measure to control cost. The Committee is headed by the Chairman of the Company with participation of there other members .It deliberates on matters like formulation and review of business plans, budgeting review of capital and revenue expenditure.

GENERAL BODY MEETINGS

Details of the last three Annual General Meetings of the Committee are given below

Year	Date	Time and Place	Details of Special Business
2011	August 18	10.30.a.m Anugraha Auditorium Valapad, Thrissur	<ol style="list-style-type: none"> 1. Appointment of Mr. Jagdish Capoor as director of the Company. 2. Appointment of Mr. Gaurav Mathur as director of the Company. 3. Variation of terms of appointment of Mr. V. P. Nandakumar, Executive Chairman. 4. Reappointment and revision of Remuneration of Mr. I Unnikrishnan, Managing Director. 5. Variation of terms of appointment of Mr.B.N.Raveendra Babu, Joint Managing Director.
2010	July 20	10.30.a.m Anugraha Auditorium Valapad, Thrissur	<ol style="list-style-type: none"> 1. Appointment of Mr.B.N.Raveendra Babu as a director and Joint Managing Director of the Company. 2. Variation of terms of appointment of Executive Directors. 3. Appointment of Mr. K.P. Balraj and Mr. T. V. Antony as Directors of the Company.

Year	Date	Time and Place	Details of Special Business
2009	August 17	10.30.a.m Anugraha Auditorium Valapad, Thrissur	<ol style="list-style-type: none"> 1. Appointment of Mrs. Jyothy Prasannan to hold office or place of profit. 2. Variation of terms of appointment of Mr. Sooraj Nandan. 3. Variation of terms of appointment and Remuneration of Executive Chairman. 4. Revision of the remuneration of Managing Director. 5. Amending Articles of Association. 6. Approval of ESOP 2009

Details of Special Resolutions Passed in Previous 3 AGMS

Year	2009	2010	2011
Special Resolutions Passed during AGMs.	<ol style="list-style-type: none"> 1) Appointment of Ms. Jyothy Prasannan to hold office or place of profit. 2) Variation of terms Of appointment of Mr. Sooraj Nandan. 3) Variation of terms of appointment of Mr. V. P. Nandakumar, Executive Chairman. 4) Reappointment and revision of Remuneration of Mr. I Unnikrishnan, Managing Director. 5) Variation of terms of appointment of Mr. B.N.Raveendra Babu, Joint Managing Director 	<ol style="list-style-type: none"> 1) Variation of terms of appointment of Mr.V. P. Nandakumar, Executive Chairman. 2) Reappointment and revision of Remuneration of Mr. I Unnikrishnan, Managing Director. 3)Variation of terms of appointment of Mr.B.N.Raveendra Babu, Joint Managing Director. 	<ol style="list-style-type: none"> 1) Variation of terms of appointment of Mr. V. P. Nandakumar, Executive Chairman. 2) Reappointment and revision of Remuneration of Mr. I Unnikrishnan, Managing Director. 3) Variation of terms of appointment of Mr.B.N.Raveendra Babu, Joint Managing Director.

Two Special Resolutions were passed by the Company, through postal ballot during the financial year 2010-11 for the following two purposes:

- Amendment of the Object clause of the Memorandum of Association.
- Change of name.

Details of voting pattern for the Special Resolutions passed through Postal ballot

Total No of votes polled in favor of resolution of Resolution (i) above	20,81,42,952
Total No of votes polled in favor of resolution of Resolution (ii) above	20,81,43,481
Total No of votes polled against of resolution of Resolution (i) above	2,290
Total No of votes polled against of resolution of Resolution (ii) above	1,761

The Person who conducted Postl Ballot: Mr. Satheeh Kumar. N, Practicing Company Secretary.

Details of Extra Ordinary General Meetings held during the period are given below

Date of the Meeting	Time and Place	Details of Business Transacted
May 31, 2011	10.30.a.m Anugraha Auditorium Valapad, Thrissur	<ol style="list-style-type: none"> 1. Enhancement of Authorised Capital and alteration or Memorandum and Articles of Association for the same. 2. Issue of Bonus Shares. 3. Increasing the borrowing powers of the Company. 4. Starting new line of business viz; travel and tourism related services.

DISCLOSURES

- i. There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Schedule 18 (notes forming part of accounts) in the Annual Report.
- ii. The Company has complied with all the directives issued by stock exchanges and other statutory authorities. No penalties and strictures were imposed on the Company by any of the regulatory authorities, viz; the Stock Exchange, SEBI, Reserve Bank of India, Registrar of Companies, for non-compliance with any laws, guidelines and directives during the year. However on 1st February 2012, the Company has received a letter from Reserve Bank of India (RBI) directing the Company to disassociate, its name, officials, and infrastructure from that of any other group concerns carrying on financial activities. The Company has complied with all the directions issued by RBI with the professional assistance of reputed corporate legal firm and management consultants and updated the progress regularly to RBI.
- iii. **Whistle Blower Policy:**
In terms of Clause 49 of the Listing Agreement, one of the non-mandatory clauses provides that a listed company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Though the Company has not formed a policy on the same, the Company does have a helpline service system, which aims at providing an independently monitored, external, anonymous service for Manappuram employees, its customers, vendors, contractors, counterparties etc. to voice their concerns and report any unethical conduct within the organisation.

It is hereby affirmed that no personnel has been denied access to the Audit Committee.

MEANS OF COMMUNICATION

The Company publishes the un-audited / audited financial results on quarterly basis as required under clause 41 of the listing agreement. The financial results in the prescribed format are published in leading newspapers including Economic Times, Business Line, Business Standard, Malayala Manorama, Mathrubhumi etc. Other major announcements pertaining to Book Closure, Board Meetings etc. are also published as above. The Company has its web site at www.manappuram.com wherein relevant information about the Company and its performance are given. The financial results of the Company are also posted on the web site.

CODE OF CONDUCT

As per the new clause 49 of the Listing Agreement the Company has framed a Code of Conduct for the directors and senior management personnel and the same was uploaded on to the website of the Company and is accessible to the shareholders of the Company. The requisite Certificate from CEO and the Chief Financial Officer as per clause 49 of the Listing agreement was taken note of by the Board of Directors at its meeting held on 18.05.2012 and is provided in the annual report.

As required by clause 49 (1) (d) of Listing Agreement, it is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company.

FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard. The code is posted on the website of the Company.

CEO/CFO CERTIFICATION

The requisite certification made by CEO/CFO as per the format given in the clause 49 was placed before the Board at its meeting held on May 18, 2012.

GENERAL SHAREHOLDER INFORMATION

20th Annual General Meeting	Date	August 2, 2012
	Time	10.30 am
	Place	Anugraha Auditorium, Valapad PO-680 567 Thrissur District
Financial Year		2011-12
Date of Book closure		27.07.2012 to 02.08.2012 (both days inclusive)
Dividend Payment Date		17.08.2012
Listing on Stock Exchanges		Mumbai, Chennai and Cochin (Permitted security in National Stock Exchange)
Stock Code		531213 – ISIN INE522D01027
Registrar and Share Transfer Agents	M/s SKDC Consultants Limited	
	Kanapathy Towers	
	3rd Floor, 1391/A-1, Sathy Road Ganapathy PO, Coimbatore- 641 006	
	Ph: 0422-6549995, 0422-2539835	
	Email: info@skdcconsultants.com	
Compliance Officer	Mr. Rajesh Kumar K, Company Secretary	
	Ph: 0487-2399303	
	Email: cosecretary@manappuram.com	
Company Address	Manappuram Finance Limited, V/104 Manappuram House Valapad PO, Thrissur-680 567 Kerala	
	Phone: 0487- 2391306, 2391892. Fax 0487- 2399298	
	Email: mail@manappuram.com	
	Website: www.manappuram.com	

SHARE PRICE MOVEMENTS OF THE COMPANY [BSE] DURING EACH MONTH OF THE FINANCIAL YEAR 2011-12.

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (₹)
11-Apr	133.40	142.00	124.75	132.95	45,33,310	38,477	598,186,089
11-May	134.50	137.00	108.70	112.10	49,38,755	36,727	609,756,433
11-Jun	113.10	126.85	55.00	56.15	66,87,489	30,236	479,215,847
11-Jul	56.60	62.00	54.60	55.05	50,69,713	23,690	294,044,687
11-Aug	56.00	59.4	41.85	50.40	1,24,64,220	25,721	614,743,620
11-Sep	51.00	60.25	50.50	52.40	81,00,595	31,248	461,103,931
11-Oct	52.60	60.25	50.00	59.75	27,09,500	19,451	152,874,676
11-Nov	59.40	67.10	50.00	57.45	94,92,142	34,000	561,930,232
11-Dec	59.40	63.00	42.00	46.25	25,71,822	23,337	128,087,397
12-Jan	46.75	60.00	45.00	56.95	21,78,397	16,068	115,272,641
12-Feb	57.10	60.90	41.30	41.65	2,51,88,549	1,18,969	1,208,269,750
12-Mar	41.00	48.25	28.10	30.40	5,15,15,770	1,71,185	1,912,354,072
12-Apr	30.50	36.70	29.20	30.00	1,65,12,421	61,684	548,273,706

COMMON AGENCY FOR PHYSICAL AND ELECTRONIC TRANSFER

Share transfers, dividend payments and all other investor related activities are attended to and processed at the office of the Registrar and Transfer Agents of the Company M/s. S.K.D.C Consultants Limited.

Distribution of Share Holding as on March 31, 2012

Share or Debenture holding of Nominal value of	Share Holders		Share Amount	
	Number	% to Total	% to Total	% to Total
Upto - 5,000	59273	91.73	44138538	2.62
5,001 - 10,000	2238	3.46	16638918	0.99
10001 - 20,000	1117	1.73	17049746	1.01
20001 - 30,000	397	0.61	9824634	0.58
30,001 - 40,000	556	0.86	21116516	1.26
40,001 - 50,000	144	0.22	6582328	0.39
50,001 - 1,00,000	449	0.69	33078376	1.97
1,00,001 and above.	445	0.69	1533877216	91.18
TOTAL	64619	100.00	1682306272	100.00

DEMATERIALISATION

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. Share holders can get their share dematerialised with either NSDL or CDSL.

Through SKDC Consultants Limited, Registrars and Share Transfer Agents, we have established connectivity with both the depositories, that is, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

PAYMENT OF UNCLAIMED OR UNPAID DIVIDEND

The Company has remitted all unclaimed and unpaid dividend up to financial year 2003-04 to the Investor Education Protection Fund of Central Government. Dividends relating to subsequent financial years would be transferred to said account on the expiry of seven years after transfer of the same to unpaid dividend account.

GDRs/ADRs/Warrants or any other convertible instruments

The company does not have any GDRs/ADRs/Warrants or any other convertible instruments outstanding as on date.

On Behalf of the Board

Sd/-
V.P .Nandakumar
Executive Chairman

CEO & CFO Certification Under Clause 49(V) of The Listing Agreement

To
The Board of Directors
Manappuram Finance Limited

We, V.P.Nandakumar, Chairman, and Bindu A.L., Chief Financial Officer, of Manappuram Finance Limited, ("the Company") hereby certify that:-

- (a) We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2012 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - i) significant changes in internal control over financial reporting during the year;
 - i) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

V. P. Nandakumar
Executive Chairman

Bindu A. L.
Chief Financial Officer

Place: Kochi
Date: May 18, 2012

Auditors' Certificate

To
The Board of Directors of
Manappuram Finance Limited
(formerly Manappuram General Finance and Leasing Limited)

We have examined the compliance of conditions of corporate governance by Manappuram Finance Limited (formerly Manappuram General Finance and Leasing Limited) ('the Company'), for the year ended on March 31, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Chartered Accountants
Firm Registration Number: 101049W

per S. Balasubrahmanyam
Partner
Membership No.: 053315

Place: Kochi
Date: May 18, 2012

Auditors' Report

To

The Members of

Manappuram Finance Limited

1. We have audited the attached Balance Sheet of Manappuram Finance Limited ('the Company') as at March 31, 2012 and also the Statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

- iv. In our opinion, the balance sheet, statement of profit and loss and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm registration number: 101049W

per S. Balasubrahmanyam

Partner

Place: Kochi

Date: May 18, 2012

Membership No.: 053315

(All amounts are in million of Indian rupees unless otherwise stated)

Auditors' Report (Contd.)

Annexure referred to in paragraph 3 of our report of even date

Re: Manappuram Finance Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
 - (ii) The Company is a non banking finance company engaged in the business of providing loans and does not maintain any inventory. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). Therefore, the provisions of clause 4(iii) (a) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (b) The provisions of clause 4(iii) (b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (c) The provisions of clause 4(iii) (c) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (d) The provisions of clause 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- (e) The Company had taken loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1.64 million and the year-end balance of loan taken from such party was ₹ Nil.
- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount was as stipulated and payment of interest was regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and sale of services. The activities of the Company during the year did not involve any purchase and sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) Based on information and explanations provided to us, we report that the Company has not accepted any deposits from the public.
- (vii) The Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, customs duty, investor education and protection fund, income-tax, sales-tax, service tax, cess and other material statutory dues applicable to it. Dues in respect of wealth-tax and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, customs duty, investor education and protection fund, income-tax, service tax, sales-tax and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(All amounts are in million of Indian rupees unless otherwise stated)

- (c) According to the records of the Company, there are no dues outstanding of income tax and sales-tax on account of any dispute. The dues outstanding of service tax on account of a dispute are as follows:

(Amount is millions)

Name of the Statute	Nature of dues	Period of dispute	Amount	Forum where it is pending
Finance Act, 1944	Service tax	2001-2008	5.00 (including penalty of 2.5)	Commissioner of Service tax (Appeals)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks, financial institutions or debenture holders.
- (xii) Based on our examination of documents and records, we are of the opinion that the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has created security or charge in respect of debentures issued other than on debentures aggregating Rs 870 million which had been issued recently. Subsequent to year end, the Company has created security or charge in respect of these debentures.
- (xx) We have verified that the end use of money raised by public issue of non-convertible redeemable debentures is as disclosed in the notes to the financial statements.
- (xxi) As more fully discussed in Note 38 to the financial statements and as informed by the management, we report that, during the year there have been certain instances of fraud on the Company by employees where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating ₹ 38.32 million. The Company has fully provided for these amounts in the financial statements and is in the process of recovering these amounts from the employees and taking legal actions.

For S.R. BATLIBOI & ASSOCIATES
Chartered Accountants
Firm registration number: 101049W

per S. Balasubrahmanyam

Place: Kochi
Date: May 18, 2012

Partner
Membership No.: 053315

(All amounts are in million of Indian rupees unless otherwise stated)

To the Board of Directors of

Manappuram Finance Limited (formerly Manappuram General Finance and Leasing Limited)

1. We audited the attached Balance Sheet of Manappuram Finance Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto and issued our audit opinion dated May 18, 2012 thereon. These financial statements are the responsibility of the Company's management. Our responsibility was to express an opinion on these financial statements based on our audit. Our audit was conducted in the manner specified in paragraph 2 of the audit report.
2. As required by the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008, issued by the Reserve Bank of India ('the Bank') and amended from time to time ('the Directions'), based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraphs 3 and 4 of the Directions:
 - a. The Company is engaged in the business of a Non-Banking Financial Institution ('NBFI') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended March 31, 2012. With effect from March 22, 2011, the Company is registered with the Bank as an NBFI without accepting public deposits vide Certificate of Registration ('CoR') number B-16.00029 dated March 22, 2011 with the Bank.
 - b. Based on the asset/income pattern as on March 31, 2012 determined by the Management in accordance with the audited financial statements for the year ended as on that date, and with reference to paragraph 15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is entitled to continue to hold such CoR;
 - c. Based on the criteria set forth by the Bank in Company Circular No. DNBS.PD. CC No. 85 / 03.02.089 /2006-07 dated December 6, 2006 for classification of NBFCs, the Company has been correctly classified as Loan Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year ended March 31, 2012;
 - d. The Board of Directors has passed a resolution on February 25, 2011 for non-acceptance of any public deposits;
 - e. The Company has not accepted any public deposits during the year ended March 31, 2012. The board of directors have also passed a resolution to this effect on May 10, 2012;
 - f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 during the year ended March 31, 2012;
 - g. The capital adequacy ratio as disclosed in the return submitted to the Bank in the Form NBS-7 for the year ended March 31, 2012, has been correctly arrived at and such ratio is in compliance with the minimum Capital to Risk Assets Ratio prescribed by the Bank;
 - h. The Company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (Form NBS-7) within the stipulated period. The Company furnished Form NBS-7 for the year ended March 31, 2012 to the Bank on June 29, 2012
3. We have no responsibility to update this report for events and circumstances occurring after the date of our audit opinion mentioned in paragraph 1, except for the comments on paragraph 2(h) above regarding date of furnishing Form NBS-7 to the Bank.
4. This report is issued solely for reporting on the matters specified in paragraphs 3 and 4 of the Directions, to the Board of Directors and is not to be used or distributed for any other purpose.

For S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm registration number: 101049W

per S. Balasubrahmanyam

Place: Chennai

Partner

Date: June 29, 2012

Membership No.: 053315

(All amounts are in million of Indian rupees unless otherwise stated)

Balance Sheet

as at March 31, 2012

	Note No.	As at March 31, 2012	As at March 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,682.31	833.75
Reserves and surplus	4	22,128.13	18,405.82
		23,810.44	19,239.57
Non-current liabilities			
Long-term borrowings	5	10,717.42	4,892.29
Other long term liabilities	6	106.57	47.17
		10,823.99	4,939.46
Current liabilities			
Short-term borrowings	7	72,313.61	48,708.21
Other current liabilities	8	12,226.50	3,991.90
Short-term provisions	9	1,593.88	947.47
		86,133.99	53,647.58
TOTAL		120,768.42	77,826.61
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10A	2,163.72	1,319.02
Intangible assets	10B	76.53	59.84
Capital work-in-progress		144.04	67.72
Non-current investments	11A	100.03	3.20
Deferred tax assets (net)	12	188.98	87.07
Long-term loans and advances	13	523.02	299.45
Other Non current assets	14	334.60	259.25
		3,530.92	2,095.55
Current assets			
Current investments	11B	2,082.39	400.00
Cash and bank balances	15	8,177.08	6,430.85
Short-term loans and advances	13	96,621.46	63,940.42
Other current assets	14	10,356.57	4,959.79
		117,237.50	75,731.06
Total		120,768.42	77,826.61
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number: 101049W

For and on behalf of the Board of Directors

per S. Balasubrahmanyam

Partner

Membership No.: 053315

V. P. Nandakumar

Executive Chairman

I. Unnikrishnan

Managing Director

B. N. Raveendra Babu

Joint Managing Director

Place: Kochi

Date: May 18, 2012

M. Anandan

Director

A. L. Bindu

Chief Financial Officer

K. Rajesh Kumar

Company Secretary

(All amounts are in million of Indian rupees unless otherwise stated)

Statement of Profit and Loss for the year ended March 31, 2012

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
INCOME			
Revenue from operations	16	26,155.48	11,654.20
Other income	17	402.97	161.06
Total revenue		26,558.45	11,815.26
EXPENSES			
Finance costs	18	10,891.00	3,391.55
Employee benefits expense	19	3,090.11	1,605.00
Other expenses	20	3,322.42	2,366.79
Depreciation and amortisation expense	21	482.86	212.96
Total Expenses		17,786.39	7,576.30
Profit before tax		8,772.06	4,238.96
Tax expenses			
Current tax		2,959.36	1,466.04
Deferred tax		(101.91)	(53.72)
Total tax expense		2,857.45	1,412.32
Profit for the year		5,914.61	2,826.64
Earnings per equity share [nominal value of share ₹ 2/-]	22		
Basic earnings per share (₹/-)		7.06	3.81
Diluted earnings per share (₹/-)		7.03	3.75
Summary of significant accounting policies	2.1		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES

Chartered Accountants

Firm Registration Number: 101049W

For and on behalf of the Board of Directors

per S. Balasubrahmanyam

Partner

Membership No.: 053315

V. P. Nandakumar
Executive ChairmanI. Unnikrishnan
Managing DirectorB. N. Raveendra Babu
Joint Managing Director

Place: Kochi

Date: May 18, 2012

M. Anandan
DirectorA. L. Bindu
Chief Financial OfficerK. Rajesh Kumar
Company Secretary

Notes to the Financial statements for the year ended March 31, 2012

NOTE :1

Nature of operations

Manappuram Finance Limited (formerly Manappuram General Finance & Leasing Limited) ('MAFIL' or 'the Company') was incorporated on July 15, 1992 in Thrissur, Kerala. The Company is a non banking financial Company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities, etc. The Company currently operates through 2,907 branches spread across the country. The Company is a Systemically Important Non-Deposit Taking NBFC.

NOTE :2

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Reserve Bank of India as applicable to a non deposit accepting NBFC. The financial statements have been prepared under the historical cost convention and on an accrual basis except for interest and discounts on non performing assets which are recognised on realisation basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except for certain change in estimates discussed in note 2(d).

2.1) Statement of significant accounting policies

a) Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes

requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

d) Depreciation

Depreciation is provided using straight line method at the following rates, which is management's estimate of the useful lives of the assets:

Nature of asset	Rate of depreciation followed
Computer equipment	33.33%
Furniture and fixtures excluding [safes and strong rooms]	20%
Buildings, office equipments, vehicles, plant & machinery and furniture and fixtures (safes and strong rooms)	Rates prescribed under Schedule XIV of the Companies Act, 1956

During the current year, the Company has changed its estimated useful life of furnitures and fixtures (except safes and strong rooms) from 15 years to 5 years. This change in estimated useful life has resulted in provision of additional depreciation by ₹ 111.79 million and the profit before tax of the Company is lower by the corresponding number.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life of 6 years.

The amortisation period and the amortisation method are reviewed at least at each financial year end.

f) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments in respect of non-cancellable leases are recognised as an expense in the Profit and Loss account on a straight-line basis over the lease term.

h) Investments

The Board of Directors have spelt out the criteria to classify investments into current and long term investments in the investment policy. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Any inter class transfer should be with the approval of the board and as per RBI regulation.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Quoted current investments for each category is valued at cost or market value whichever is lower. Unquoted equity shares in the nature of current investments is valued at cost or break-up value, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

i) Revenues

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income on loans given is recognised under the internal rate of return method. Such interests, where instalments are overdue in respect of non performing assets are recognised on realisation basis. Any such income recognised and remaining unrealised after the instalments become overdue with respect to non performing assets is reversed.

Revenues from fee-based activities are recognised as and when services are rendered.

Interest on deposits is recognised on a time proportion basis taking into account the amount outstanding and the

rate applicable.

Gains arising on direct assignment of assets is recognised over the tenure of agreements as per guideline on securitisation of standard assets issued by the Reserve Bank of India, losses, if any are recognised upfront.

j) Employee benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the fund maintained by the Central Government is due. There is no other obligation other than the contribution payable to the trust.
- ii. Gratuity liability under the Payment of Gratuity Act which is a defined benefit scheme is accrued and provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates.
- iv. Actuarial gains / losses are immediately taken to statement of profit and loss and are not deferred.
- v. Employee stock compensation cost - Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

k) Foreign currency transactions

- (i) Initial Recognition
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Conversion
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Notes to the Financial statements for the year ended March 31, 2012

(iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

l) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

m) Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent

that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions

(i) A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(ii) Provision policy for gold loans and other loan portfolios

Secured loans are classified / provided for, as per management's best estimates, subject to the minimum provision required as per Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as follows:

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

Classification of loans (Gold and other loans)

Asset Classification	Provisioning policy
Standard Assets #	0.25%
Sub-standard assets	10%
Doubtful assets	100% of unsecured portion + 20 to 50% of secured portion.
Loss assets	100% provided / written off in books.

Classification of loans (Hypothecation and Stock on Hire)

Asset Classification	Provisioning policy
Standard Assets #	0.25%
Sub-standard assets	100%
Doubtful assets*	100% written off in books.
Loss assets	100% provided / written off in books.

* Company considers all loans overdue for more than 18 months as doubtful of recovery.

As per notification DNBB.222 / CGM(US)-2011 issued by Reserve Bank of India (RBI) on January 17, 2011.

p) Segment reporting

The Company primarily operates in the business of "Gold loan" and its operations are in India. Accordingly, no segment reporting is applicable.

q) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Ancillary borrowing costs

Ancillary borrowings costs incurred issue of debentures and other long term borrowings are expensed over the tenure of the loan.

s) Securities issue expenses

Expenses incurred in connection with issue of shares are adjusted (net of tax effects, if any) against the securities premium account in accordance with Section 78 of the Companies Act, 1956.

Public issue expenses incurred in connection with issue of debentures are amortised over the term of the debenture.

t) Insurance claims

Insurance claims are accrued for on the basis of claims admitted and/or to the extent there is no uncertainty

in receiving the claims. The Company re-assesses the claims made at each reporting period for recoverability.

u) Auctioned gold and Surplus on auction of pledged gold

Auctioned gold is valued at lower of cost or realisable value as at balance sheet date.

The Company has a policy of refund of any surplus that arises on auction of pledged gold which has been re-possessed by the Company in accordance with the terms of the agreement with the customers.

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements as there is no indication of the uncertainties relating to any outflow.

Notes to the Financial statements for the year ended March 31, 2012

	As at March 31, 2012	As at March 31, 2011
NOTE: 3		
Share Capital		
Authorised shares		
980,000,000 (March 31, 2011: 53,00,00,000) equity shares of ₹ 2/- each	1,960.00	1,060.00
4,00,00,000 (March 31, 2011: 4,00,00,000) redeemable preference shares (CCPS) of ₹100/- each	40.00	40.00
Issued, subscribed and fully paid-up shares		
841,153,136 (31 March 2011: 416,874,188) equity shares of ₹ 2/- each	1,682.31	833.75
Total issued, subscribed and fully paid-up share capital	1,682.31	833.75

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31 March 2012		31 March 2011	
	No. millions	Amount (in millions)	No. millions	Amount (in millions)
At the beginning of the year	416.87	833.74	170.19	340.38
Issued during the period - Bonus issue	416.87	833.74	170.19	340.38
Preferential allotment	-	-	13.21	26.42
Issued during the period - ESOP	7.41	14.82	3.76	7.52
Qualified Institutional Placement	-	-	59.52	119.04
Outstanding at the end of the period	841.15	1,682.30	416.87	833.74

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50/- (31 March 2011: ₹ 0.60/- per share, after considering bonus issue).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	March 31, 2012 No. millions	March 31, 2011 No. millions
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium, general reserve and capital redemption reserve.	614.56	197.69

In addition, the Company has issued total 11,159,880 shares (March 31, 2011: 3,755,120) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

d. Details of shareholders holding more than 5% shares in the Company (Equity shares of ₹ 2/- each fully paid)

	March 31, 2012		March 31, 2011	
	No. millions	% holding in the class	No. millions	% holding in the class
Nandakumar V P	217.41	25.85	128.00	30.70
Sushama Nandakumar	48.00	5.70	24.00	5.76
Smallcap World Fund Inc	57.99	6.89	27.21	6.53
Hudson Equity Holdings Ltd	71.81	8.54	37.75	9.06
AA Development Capital India Fund 1, LLC	30.22	3.59	21.78	5.23

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	As at March 31, 2012	As at March 31, 2011
NOTE: 4		
Reserves and Surplus		
Securities premium account		
Balance as per the last financial statements	14,424.32	3,988.96
Add: premium on issue of shares	-	10,916.72
Add: additions on ESOPs exercised	107.81	54.67
Less: amounts utilised toward issue of fully paid bonus shares	(833.75)	(300.39)
Less: Share issues expenses adjusted against securities premium	-	(235.64)
Closing Balance	13,698.38	14,424.32
Statutory reserve		
Balance as per the last financial statements	1,016.08	450.75
Add: amount transferred from surplus balance in the statement of profit and loss	1,182.92	565.33
Closing Balance	2,199.00	1,016.08
Debenture Redemption reserve		
Balance as per the last financial statements	-	-
Add: amount transferred from surplus balance in the statement of profit and loss (refer note below)	2,208.10	-
Closing Balance	2,208.10	-
General reserve		
Balance as per the last financial statements	651.06	368.39
Add: amount transferred from surplus balance in the statement of profit and loss	591.48	282.67
Closing Balance	1,242.54	651.06
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	2,314.36	917.11
Profit for the year	5,914.61	2,826.64
Less: Appropriations		
Transfer to debenture redemption reserve	2,208.10	-
Proposed final equity dividend (amount per share Re. 1/- (31 March 2011: Re 0.60/- per share, after considering bonus issue))	841.15	500.25
Interim dividend on equity shares	420.55	-
Tax on proposed equity dividend	136.45	81.14
Tax on interim dividend on equity shares	68.21	-
Transfer to Statutory reserve	1,182.92	565.33
Transfer to general reserve	591.48	282.67
Total appropriations	5,448.86	1,429.39
Net surplus in the statement of profit and loss	2,780.11	2,314.36
Total reserves and surplus	22,128.13	18,405.82

Note:

Pursuant to Section 117C of the Companies Act, 1956 and circular 9/2002, issued by Ministry of Corporate Affairs, the Company is required to transfer adequate amounts to Debenture redemption reserve. Further, as per the said circular 50% of the value of the debentures issued is considered adequate. The Company has apportioned ₹ 2,208.10 to debenture redemption reserve representing 50% of the total value of debentures issued through a public issue.

Notes

to the Financial statements for the year ended March 31, 2012

	Non-current portion		Current maturities	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
NOTE: 5				
Long-term borrowings				
Term loans				
Indian rupee loan from banks (secured)	1,112.00	-	1,000.00	-
Vehicle loans (Secured loans)	6.85	7.44	5.11	3.50
Sub-ordinated debt (Unsecured)				
Subordinate debt from banks	1,500.00	1,000.00	-	-
Subordinate bonds from others	2,613.14	1,670.07	153.70	61.52
Debentures (Secured)				
Non-convertible Debentures - Private placement	2,498.11	2,214.78	7,325.26	2,795.97
Non-convertible Debentures - Public issue	2,987.32	-	1,428.87	-
	10,717.42	4,892.29	9,912.94	2,860.99
The above amount includes				
Secured borrowings	6,604.28	2,222.22	9,759.24	2,799.47
Unsecured borrowings	4,113.14	2,670.07	153.70	61.52
Amount disclosed under the head "other current liabilities" (note 8)			(9,912.94)	(2,860.99)
Net amount	10,717.42	4,892.29	-	-

"Indian Rupee loans from banks includes:

i) ₹ 2,000 taken for onward lending against gold jewellery. These loans carry an interest rate of 14% (floating - BR + 4.5%) and are repayable at the end of 18 months from the date of the loan. These are secured by an exclusive charge by way of hypothecation of book debts pertaining to loans granted against gold with a margin of 15%. Also, they are secured by a cash collateral deposit of 5% of the loan amount, lien marked in favour of the bank during the tenor of the loan. Further, the loan has been guaranteed by the personal guarantee of Mr. V.P Nandakumar, Executive Chairman.

ii) ₹ 112 availed for the purpose of construction of the corporate office. These loans carry an interest rate of 13.5% (floating - BR + 3%) and are repayable at the end of 77 months from the date of the loan. These loans are secured by an exclusive mortgage of 53.07 cents of property of the Company situated at Trikkur Village, Mukundapuram taluk. Also, they are secured by a cash collateral deposit of 10% of the sanction amount, lien marked in favour of the bank during the tenor of the loan. Further, the loan has been guaranteed by the personal guarantee of Mr. V.P Nandakumar, Executive Chairman."

Vehicle loans carry an interest of 10 to 12 % and are payable in 30 to 60 installments from the date of the loan. The loans are secured by hypothecation of the respective vehicles against which the loan has been availed.

Subordinate debt from banks includes ₹ 1,000 (previous year : ₹ 1,000) which carries an interest rate of 14.5% (floating - BR + 4.5%) and is repayable at the end of five years and three months from the date of the loan viz. December 13, 2010, and ₹ 500 (previous year : ₹ Nil) which carries an interest rate of 14% (floating - BR + 3.3%) and is repayable at the end of five years and three months from the date of the loan viz. January 28, 2012.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE: 5 (CONTD.)

Subordinate bonds from others:

Subordinate bonds have a face value of ₹ 1,000/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

As at March 31, 2012

Redeemable at par within	Rate of interest					
	< 12%		>= 12% < 14%		>= 14% < 15%	
	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	7,270.00	7.27	159,807	159.81	162,598	162.60
Due within 4-5 years	-	-	534,194	534.19	257,468	257.47
Due within 3-4 years	116,533.00	116.53	432,903	432.90	23,391	23.39
Due within 2-3 years	37,104.00	37.10	274,847	274.85	219,915	219.92
Due within 1-2 years	-	-	20,174	20.17	366,936	366.94
Due within 1 year	-	-	153,702	153.70	-	-
Grand Total	160,907.00	160.90	1,575,627	1,575.62	1,030,308	1,030.32
					2,766.842	2,766.84

As at March 31, 2011

Redeemable at par within	Rate of interest					
	< 12%		>= 12% < 14%		>= 14% < 15%	
	Number	Amount	Number	Amount	Number	Amount
Due above 5 years	7,270	7.27	14,142	14.14	7,274	7.28
Due within 4-5 years	116,533	116.53	429,580	429.58	23,391	23.39
Due within 3-4 years	37,104	37.10	274,020	274.02	221,787	221.79
Due within 2-3 years	-	-	20,174	20.18	365,089	365.09
Due within 1-2 years	-	-	153,702	153.70	-	-
Due within 1 year	200	0.20	61,322	61.32	-	-
Grand Total	161,107	161.10	952,940	952.94	617,541	617.55
					1,731,588	1,731.59

Notes to the Financial statements for the year ended March 31, 2012

NOTE: 5 (CONTD.)

Debentures (Secured)

i) Private placement retail - Redeemable Non Convertible Debentures of ₹ 1,000/- each - Terms of repayment As at March 31, 2012

As at March 31, 2012

Redeemable at par within	Rate of interest									
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 4-5 years	-	-	22	0.02	19,636	19.64	431	0.43	20,089	20.09
Due within 3-4 years	224	0.22	-	-	1,139	1.14	-	-	1,363	1.36
Due within 2-3 years	53	0.05	665	0.67	45,305	45.31	1,053	1.05	47,076	47.08
Due within 1-2 years	3,631	3.63	1,541	1.54	60,334	60.33	3,086	3.09	68,592	68.59
Due within 1 year	2,879	2.88	28,832	28.83	4,226,546	4,226.55	229,334	229.33	4,487,591	4,487.59
Grand Total	6,787	6.78	31,060	31.06	4,352,960	4,352.97	233,904	233.90	4,624,711	4,624.71

As at March 31, 2011

Redeemable at par within	Rate of interest									
	< 10%		>= 10% < 12%		>= 12% < 14%		>= 14% < 16%		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Due within 4-5 years	223	0.22	507	0.51	38	0.04	-	-	768	0.77
Due within 3-4 years	72	0.07	74	0.07	110	0.11	-	-	256	0.25
Due within 2-3 years	1,785	1.79	5,326	5.33	1,330	1.33	-	-	8,441	8.45
Due within 1-2 years	1,993	1.99	7,688	7.69	7,633	7.63	-	-	17,314	17.31
Due within 1 year	161,200	161.20	1,058,428	1,058.43	78,439	78.44	-	-	1,298,067	1,298.07
Grand Total	165,273	165.27	1,072,023	1,072.03	87,550	87.55	-	-	1,324,846	1,324.85

Nature of Security

Secured by a floating charge on the book debts of the Company on HP receivables, gold and other unencumbered assets. The Company shall maintain 100% security cover on the outstanding balance of debenture with accrued interest any time.

Debentures are offered for a period of 366 days to 5 years.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 5 (CONTD.)

ii) Private Placement Institutional- Issue of Redeemable Non-convertible Debentures of ₹ 1,00,000/- each - Terms of repayment

As at March 31, 2012

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
17-Jun-11	400	40.00	12.50%	17-Jun-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
27-May-11	84	8.40	12.25%	27-May-16	
27-May-11	3,880	388.00	12.50%	27-May-16	
31-Mar-11	1,312	131.20	12.25%	31-Mar-16	
28-Mar-11	2,640	264.00	12.25%	28-Mar-16	
17-Jun-11	300	30.00	12.50%	17-Jun-15	
27-May-11	63	6.30	12.25%	27-May-15	
27-May-11	2,910	291.00	12.50%	27-May-15	
31-Mar-11	984	98.40	12.25%	31-Mar-15	
28-Mar-11	1,980	198.00	12.25%	28-Mar-15	
17-Jun-11	500	50.00	12.25%	17-Jun-14	
17-Jun-11	300	30.00	12.50%	17-Jun-14	
27-May-11	10	1.00	12.00%	27-May-14	
27-May-11	63	6.30	12.25%	27-May-14	
27-May-11	2,910	291.00	12.50%	27-May-14	
31-Mar-11	984	98.40	12.25%	31-Mar-14	
28-Mar-11	1,000	100.00	12.00%	28-Mar-14	
28-Mar-11	1,980	198.00	12.25%	28-Mar-14	
17-Jun-11	500	50.00	12.25%	17-Jun-13	
27-May-11	10	1.00	12.00%	27-May-13	
28-Mar-11	1,000	100.00	12.00%	28-Mar-13	
Total	23,810	2,381.00			

As at March 31, 2011

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Security
31-Mar-11	1,312	131.20	12.25%	31-Mar-16	Secured by first pari passu charge on the receivable of the Company with minimum asset cover ratio of 1.10 times and immovable property*
28-Mar-11	2,640	264.00	12.25%	28-Mar-16	
31-Mar-11	984	98.40	12.25%	31-Mar-15	
28-Mar-11	1,980	198.00	12.25%	28-Mar-15	
31-Mar-11	984	98.40	12.25%	31-Mar-14	
28-Mar-11	1,000	100.00	12.00%	28-Mar-14	
28-Mar-11	1,980	198.00	12.25%	28-Mar-14	
28-Mar-11	1,000	100.00	12.00%	28-Mar-13	
Total	11,880	1,188.00			

*Immovable property shall mean the commercial premises of the Company admeasuring 2250.64 Sq ft area on the fifth floor along with 2 car parking space in the building known as Aishwarya Business Plaza situated at Kole Kalyan, Santacruz (East) Mumbai.

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 5 (CONTD.)

iii) Institutional issue of Redeemable Non-convertible Debentures of ₹ 1,000,000/- each - Terms of repayment

As at March 31, 2012

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option	
19-Jan-12	80.00	80.00	13.00%	16-Apr-13	None	**
17-Jan-12	500.00	500.00	12.90%	16-Jan-13	17th April 2012 and every three months thereafter	**
20-Dec-11	271.00	238.62	Zero Coupon IRR 12.67%	13-Jan-13	None	
24-Nov-11	1,000.00	1,000.00	12.50%	23-Dec-12	None	
29-Jul-11	566.00	499.04	Zero Coupon IRR 12.53%	22-Aug-12	None	
31-Mar-11	1,000.00	1,000.00	12.60%	29-Jun-12	28th June 2011 and every three months thereafter	
Total	3,417.00	3,317.66				

**The Company has subsequent to year end created the charge deed and filed the necessary forms with the regulatory authorities.

As at March 31, 2011

Date of allotment	Number	Amount outstanding	Interest Rate	Redeemable at par on	Put and Call option
31-Mar-11	1,000	1,000.00	12.60%	20-Jul-12	28th June 2011 and every three months
3-Sep-10	250	250.00	10.65%	5-Mar-12	3rd February 2011 and every three months
3-Sep-10	750	750.00	10.65%	3-Mar-12	3rd February 2011 and every three months
18-Aug-10	250	250.00	9.25%	18-Feb-12	None
15-Feb-10	250	250.00	9.00%	16-Aug-11	None
Total	2,500.00	2,500.00			

Nature of Security

Secured by present and future gold loan receivable of the Company with minimum asset cover ratio of 1.10 times.

iv) Public issue of Redeemable Non-convertible Debentures of ₹ 1,000/- each - Terms of repayment

As at March 31, 2012

Date of allotment	Number	Amount	Interest Rate	Redeemable at par on
8-Sep-11	2,201,384	2,201.38	12.20%	8-Sep-13
8-Sep-11	785,940	785.94	12.00%	8-Sep-13
8-Sep-11	1,428,866	1,428.87	12.00%	12-Oct-12
Total	4,416,190	4,416.19		

Nature of Security

Secured by mortgage of the immovable property of the Company and a charge on all current asset, book debts, receivables as fully described in the debenture trust deed except those receivables specifically exclusively charged, on a first ranking pari passu basis with all other lenders to the Company holding pari passu charge over security.

The Company shall maintain an asset cover of at least 1.10 times of the outstanding amount of debenture, at all times, till the debentures are completely redeemed.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

	As at March 31, 2012	As at March 31, 2011
NOTE : 6		
Other long term liabilities		
Interest accrued but not due on long term borrowings	106.57	47.17
	106.57	47.17

	As at March 31, 2012	As at March 31, 2011
NOTE : 7		
Short-term borrowings		
Non convertible Debentures - Private placement (Secured) (refer note 5)	500.00	2.10
Cash credit / Overdraft facilities from banks (secured)	26,711.58	7,488.19
Working Capital demand loan from banks (secured)	38,960.25	30,558.41
Working Capital demand loan from others (secured)	3,820.83	650.00
Commercial Papers (unsecured)	2,320.95	10,007.87
10% - 11% Inter-corporate deposit repayable within one year	-	1.64
	72,313.61	48,708.21
The above amount includes		
Secured borrowings	69,992.66	38,698.70
Unsecured borrowings	2,320.95	10,009.51

Non convertible Debentures - Private placement (Secured)- refer Note 5 for details.

Commercial papers carry interest rates of 10.5% to 13.3% and their tenor ranges from 90 days to 365 days.

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 7 (CONTD.)

Cash credit, overdraft and working capital loans are repayable on demand or within a maximum period of one year. Details of security and rate of interest is as under:

Loans from banks:

Details of Security *	Rate of interest	March 31, 2012
Book debts-25%	-	-
Book debts-25%	-	-
Book debts +25% margin and 5% of cash collateral	BR+1.5%	2,031.36
Book debts + 10% margin	BR+1.9%	3,000.00
Book debts +10% margin and 5% of cash collateral	BR+1.8%	1,000.00
Book debts + 15% margin	12.50%	741.01
Book debts + 25% margin and Cash Collateral ₹ 80 Crs (Paripassu)	BR+2.5%	7,990.00
Specified book debts + 25% margin	BR+2.75%	3,011.29
Book debts + 15% margin	BR+3.25%	2,500.00
Book debts + 10% margin	BR+2.1%	2,500.00
Book debts + 10% margin	BR+1.75%	3,999.00
Specified Book debts + 10% margin	BR+2.25%	2,000.94
Book debts + 15% margin	BR+2%	500.00
Book debts + 25% margin (paripassu)	BR+2.5%	3,462.00
Book debts +25% margin and 10% of cash collateral	BR+2.5%	987.66
Book debts + 5% margin and 5% of cash collateral	13.20%	750.00
Book debts and cash collateral at 10%	13.25%	1,000.00
Book debts + 25% margin	BR+2.25%	904.05
Book debts + 25% margin (paripassu)	BR+2.5%	4,708.69
Specified book debts + 25% margin & cash collateral at 5%	BR+3.25%	250.06
Specified book debts + 20% margin	BR+2.5%	1,999.56
Specified book debts + 25% margin	BR+3.25%	3,500.00
Book debts + 15% margin	BR+2.5%	692.97
Specified book debts + 15% margin	BR+3%	1,249.97
book debts-10%	BR+3.5%	19.50
Specified Book debts + 25% margin	BR+2.75%	2,000.68
Specified book debts	BR+3.5%	232.70
Book debts + 15% margin	BR+3%	1,498.95
Specified book debts + 15% margin	BR+3%	1,248.38
Specified book debts + 10% margin	BBR+2.5%	2,005.90
Book debts + 15% margin	BR+3.5%	1,783.31
Specified book debts + 25% margin	BR+3.25%	466.59
Book debts +10% margin and 5% of cash collateral	BR+2.75%	250.00
Book debts + 25% margin	BR+3.5%	357.88
Book debts +20% margin and 3.5% of cash collateral	BR+3%	499.99
Book debts + 5% margin and cash collateral at 5%	BR+ 3.75%	1,088.62
Book debts + 35% margin (paripassu)	BR+3%	3,451.89
Book debts-25% & 7.5% of cash collateral	BR+1.5%	1,500.00
Specified Book debts + 15% margin	BR+2.25%	488.88
Specified book debt margin+ cash collateral-10%	9.00%	-
Specified book debts & cash collateral-2.5%	8.25%	-
		65,671.83

Loan from Others

Details of Security *	Rate of interest	March 31, 2012
Book debts + 5% margin and 2.5% of cash collateral	13% + Base rate Increase	83.33
Specified Book debts + 25% margin	SICOM Medium Term Reference Rate - 1%	750.00
Specified Book debts + 25% margin	PLR + 0.75%	2,000.00
Specified book debts + 20% margin	14.00%	487.50
Book debts-20%	11.55%	500.00
		3,820.83

Details of Security *	Rate of interest	March 31, 2011
Specified book debts + 10%	12.75%	500.00
Specified book debts + 10%	12.60%	500.00
Book debts + 15%	BR+ 50%	1,000.00
Specified book debts + 25%	BR+1.5%	1,000.00
Book debts + 10% and 5% of cash collateral	BR + 1.25%	750.00
Specified book debts + 15%	12.00%	544.00
Specified book debts + 25% and Cash collateral of ₹ 40 cr	10.50%	4,000.00
BR + 2.25%	BR + 2.25%	1,900.00
Specified book debts + 10%	BR+2.1%	2,000.00
book debts + 10%	BR + 1.75%	2,000.00
Specified book debts + 5%	11.00%	500.00
Book debts + 25%	BR+2.5%	1,762.00
Specified book debts + 10% and 5% of Cash collateral	10.75%	750.00
Specified book debts + 25%	BR + 2.25%	510.00
Book debts + 25%	9.00%	2,936.70
Specified book debts + 15%	BR+2.5%	499.90
Specified book debts + 10%	BR+3.5%	18.00
Specified book debt	BR + 3.00%	267.00
Specified book debts + 15%	BR + 2.00%	1,500.00
Specified book debts + 15%	BR + 2.00%	1,250.00
Specified book debts + 10%	BR + 2.00%	4,773.00
Specified book debts + 15%	BR + 3.20%	1,209.00
Specified book debts + 10% and 5% of Cash collateral	BR + 2.50%	500.00
Specified book debts + 25%	BR+3.5%	37.00
Specified book debts + 10% and 5% of Cash collateral	BR + 2.00%	417.00
Specified book debts + 5% and 5% of Cash collateral	BR + 4.50%	2,500.00
Specified book debts + 25%	BR+3%	1,849.00
Specified book debts + 10% & 7.5% Cash collateral	BR+1.5%	2,000.00
Specified book debts + 15%	BR+2.25%	500.00
Specified book debts+ cash collateral-10%	BPLR-6%	24.00
Specified book debts + cash collateral-2.5%	IVBR+0.5%	50.00
		38,046.60

* The loans have been guaranteed by the personal guarantee of Mr. V.P Nandakumar, Executive Chairman.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

	As at March 31, 2012	As at March 31, 2011
NOTE : 8		
Other current liabilities		
Current maturities of long-term borrowings (note 5)	9,912.94	2,860.99
Interest accrued but not due on borrowings	803.71	107.72
Interest accrued and due on borrowings	19.02	11.44
Statutory dues payable	80.58	52.80
Employee related payables	252.19	180.91
Payable for expenses	370.56	400.07
Debenture application money	149.20	20.00
Book overdraft	9.43	5.09
Interest free security deposits from employees	22.31	10.92
Auction surplus	488.10	100.58
Unmatured finance charge	19.01	197.90
Retention deposit	28.74	15.31
Others	61.60	14.60
Investor education and protection funds shall be credited by following amounts as and when due:		
Unclaimed dividend	4.43	2.13
Unclaimed matured deposits	0.62	11.44
Unclaimed matured subordinate bonds	4.06	-
	12,226.50	3,991.90

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2012 and March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

	As at March 31, 2012	As at March 31, 2011
NOTE : 9		
Short term provisions		
Provision for employee benefits	-	14.82
Provision for gratuity	24.26	7.20
Provision for leave encashment	24.26	22.02
Other provisions		
Provision for non performing loan portfolio	296.17	155.63
Provisions for taxation (net of advance tax and tax deducted at source)	55.63	29.96
Proposed equity dividend	841.15	500.25
Provision for tax on proposed equity dividend	136.44	81.14
Provision for standard assets	240.23	158.47
	1,569.62	925.45
	1,593.88	947.47

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 10A

Tangible assets

	Freehold Land*	Building	Office equipment	Computer equipment	Furniture and Fittings**	Vehicle***	Plant & Machinery	Total
Cost								
At April 1, 2010	31.32	15.12	60.20	168.82	383.89	9.55	0.90	669.80
Additions	-	66.02	113.02	203.33	595.34	14.34	2.16	994.21
Deletions	-	-	0.26	9.50	0.29	1.46	0.68	12.19
At March 31, 2011	31.32	81.14	172.96	362.65	978.94	22.43	2.38	1,651.82
Cost								
At April 1, 2011	31.32	81.14	172.96	362.65	978.94	22.43	2.38	1,651.82
Additions	41.21	18.86	160.06	292.10	751.69	9.18	38.70	1,311.80
Deletions	-	-	-	11.62	0.18	1.26	-	13.06
At March 31, 2012	72.53	100.00	333.02	643.13	1,730.45	30.35	41.08	2,950.56
Accumulated Depreciation								
At April 1, 2010	-	0.42	13.61	62.68	56.38	2.52	0.02	135.63
Charge for the year	-	0.51	26.75	106.05	69.51	1.60	0.03	204.45
Deletions	-	-	0.19	6.10	0.28	0.70	0.01	7.28
At March 31, 2011	-	0.93	40.17	162.63	125.61	3.42	0.04	332.80
Accumulated Depreciation								
At April 1, 2011	-	0.93	40.17	162.63	125.61	3.42	0.04	332.80
Charge for the year	-	1.54	40.57	162.37	258.07	2.46	0.97	465.98
Disposals	-	-	-	11.49	0.06	0.39	-	11.94
At March 31, 2012	-	2.47	80.74	313.51	383.62	5.49	1.01	786.84
Net Block at March 31, 2011	31.32	80.21	132.79	200.02	853.33	19.01	2.34	1,319.02
Net Block at March 31, 2012	72.53	97.53	252.28	329.62	1,346.83	24.86	40.07	2,163.72

* The Company is in the process of registering the title of the land acquired in an earlier year for ₹ 0.7 in its name. Borrowing costs of ₹ 3 has been capitalised under capital work in progress for eligible assets

** Also, refer note 2(d) for change in estimate in useful lives of furniture and fittings other than safes and strong rooms

*** Includes vehicles taken on finance lease/hire purchase- Gross block ₹ 22.47 (Previous year ₹ 18.39): Depreciation for the year ₹ 1.82 (Previous year ₹ 1.18) and Net block ₹ 19.73 (Previous Year ₹ 16.81)

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 10B

Intangible assets

	Computer Software
Cost	
At April 1, 2010	46.03
Purchase	34.80
Deletions	-
At March 31, 2011	80.83
Cost	
At April 1, 2011	80.83
Purchase	33.57
Deletions	-
At March 31, 2012	114.40
Amortisation	
At April 1, 2010	12.48
Charge for the year	8.51
Deletions	-
At March 31, 2011	20.99
Amortisation	
At April 1, 2011	20.99
Charge for the year	16.88
Deletions	-
At 31 March 2012	37.87
Net block	
At March 31, 2011	59.84
At March 31, 2012	76.53

	As at March 31, 2012	As at March 31, 2011
NOTE : 11A		
Non-current investments		
Trade investments (Quoted, at cost)		
Nil (Previous year - 32,000) units of ₹ 100/- each in 7.38% Govt. of India Bond	-	3.15
Nil (Previous year - 100) equity share of ₹ 10/- each fully paid in The Dhanalaxmi Bank Limited.	-	0.01
Nil (Previous year - 100) equity share of ₹ 10/- each fully paid in Vijaya Bank Limited	-	0.01
Trade investments (Unquoted, at cost)		
100 (previous year: Nil) Non Convertible Subordinated bonds of ₹ 1,000,000/- each fully paid in Yes Bank Limited	100.00	-
Other than trade (Unquoted, at cost)		
1,000 (Previous year - 1,000) equity share of ₹ 10/- each fully paid in The Catholic Syrian Bank Limited.	0.03	0.03
	100.03	3.20

Note :

1. Aggregate amount of unquoted investments	100.03	0.03
2. Aggregate amount of quoted investments (Market Value ₹ Nil; previous year ₹ 3.37)	-	3.17

Notes to the Financial statements for the year ended March 31, 2012

	As at March 31, 2012	As at March 31, 2011
NOTE : 11B		
Current Investments (Unquoted, At Net Asset Value)		
Trade investments (Quoted, at cost)		
40,000,000 (previous year - 40,000,000) of ₹ 10/- each in SBI Mutual Fund - Debt Fund Series - 367 Days - 9- Growth	413.06	400.00
541,448.1297 (previous year - Nil) of ₹ 1,662.2089/- each in SBI Mutual Fund - Premier Liquid Fund -Super Institutional Growth Plan	912.91	-
220,366.909 (previous year - Nil) of ₹ 1,134.4716/- each in IDBI Liquid Fund Growth	253.61	-
11,494,992.7811 (previous year - Nil) of ₹ 21.7486/- each in Kotak Liquid (Instititutional Premium) Growth	250.09	-
249,870.142 (previous year - Nil) of ₹ 1,000.5197/- each in Daiwa Liquid Fund Institutional Plan Daily Dividend Option Growth	252.72	-
	2,082.39	400.00
Note :		
1. Aggregate amount of unquoted investments (book value)	2,050.00	400.00
1. Aggregate amount of unquoted investments (NAV)	2,082.39	400.00

	As at March 31, 2012	As at March 31, 2011
NOTE : 12		
Deferred tax assets (net)		
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting.	(20.56)	(34.39)
Gross deferred tax liability	(20.56)	(34.39)
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	7.87	15.71
Provision for advances	201.67	105.75
Gross deferred tax asset	209.54	121.46
Net deferred tax asset	188.98	87.07

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE : 13				
Loans and advances				
Portfolio Loan				
Secured, considered good				
- Gold	-	-	95,882.49	63,556.57
- Hypothecation	-	-	-	18.79
- Stock on Hire	-	-	-	0.30
- Other loans	45.71	9.27	153.50	45.13
	45.71	9.27	96,035.99	63,620.79
Secured, considered doubtful#				
- Gold	-	-	280.66	119.17
- Hypothecation	-	-	-	26.69
- Stock on Hire	-	-	-	1.30
Portfolio Loan				
Unsecured, considered good				
- Other loans	7.23	2.69	3.15	17.53
Unsecured, considered doubtful#	-	-	15.51	8.47
Advances recoverable in cash or kind *				
Advances receivable from related parties	-	-	12.37	-
Unsecured, considered good	-	-	76.30	56.17
Unsecured, considered doubtful	-	-	85.19	11.82
	-	-	173.86	67.99
Less: Provision for doubtful advances	-	-	(85.19)	(11.82)
	-	-	88.67	56.17
Deposits (Unsecured, considered good)				
Rental deposits	451.54	286.57	105.12	54.17
Other security deposits	-	-	47.51	6.46
	451.54	286.57	152.63	60.63
Service tax and other taxes recoverable, from Government	-	-	44.85	29.67
Capital advances (Unsecured, considered good)	18.54	0.92	-	-
Total	523.02	299.45	96,621.46	63,940.42
* Advances recoverable in cash or kind includes dues from relative of Directors and related parties	-	-	4.87	3.11

Provision for the same has been disclosed separately under note 9. Also refer note 32(a)

Notes to the Financial statements for the year ended March 31, 2012

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE: 14				
Other assets				
Non-current bank deposits (note 15)	281.13	232.51	-	-
(A)	281.13	232.51	-	-
Interest accrued:				
Loan Portfolio	-	-	8,913.91	4,569.98
Fixed deposits and investment	1.56	3.25	119.22	85.20
Auctioned gold	-	-	1,225.41	287.17
Ancillary cost of arranging the borrowings	51.91	23.49	95.15	15.53
Others	-	-	2.88	1.91
(B)	53.47	26.74	10,356.57	4,959.79
Total (A + B)	334.60	259.25	10,356.57	4,959.79

	Non-current		Current	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
NOTE: 15				
Cash and bank balances				
Cash and cash equivalents				
Balances with banks:				
On current accounts #	-	-	3,414.45	2,480.92
Deposits with original maturity of less than three months	-	-	30.00	750.00
On unpaid dividend account	-	-	4.44	2.13
Cash on hand	-	-	1,055.23	1,188.01
	-	-	4,504.12	4,421.06
Other bank balances				
Deposits with original maturity of less than 3 months*	-	-	25.00	225.29
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	3,039.93	1,608.45
Deposits with original maturity for more than 12 months*	281.13	232.51	608.03	176.05
	281.13	232.51	3,672.96	2,009.79
Amount disclosed under non-current assets (note 14)	281.13	232.51	-	-
	-	-	8,177.08	6,430.85

** Includes:

- a) cash collateral deposits aggregating ₹ 3,421.49 (Previous year: ₹ 2,119.41) towards assignments and other approved facilities; and
- b) Employee security deposits aggregating ₹ 23.27 (previous year : ₹ 10.95) placed as fixed deposits with banks .

These are not freely available to the Company and accordingly, have not been considered as cash and cash equivalents."

includes amounts in Escrow account towards closed public deposits ₹ 0.62 (previous year: ₹ 11.44).

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 16		
Revenue from operations		
Interest Income		
- Gold loans	26,093.01	11,584.17
- Hypothecation and hire purchase loans	2.28	43.01
- Other loans	24.68	6.94
Revenue from other services		
- Money transfer	34.58	19.21
- Others	0.93	0.87
Revenue from operations	26,155.48	11,654.20

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 17		
Other Income		
Interest income on		
Bank and other deposits	221.20	124.67
Net gain on sale of current investments	45.56	3.62
Gain on unquoted mutual funds	32.39	-
Profit on sale of fixed assets (net)	1.93	-
Bad debts recovered	3.97	8.64
Foreign exchange gain (net)	0.02	0.02
Other non-operating income	97.90	24.11
	402.97	161.06

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 18		
Finance Cost		
Interest		
- on Debentures	1,387.55	299.67
- on Deposits	1.58	1.37
- on Bank and other borrowings	6,830.75	2,244.60
- on Subordinate bonds	440.60	233.15
- on Commercial papers	1,719.42	369.88
- Others	16.86	7.92
Other borrowing cost	494.24	234.96
	10,891.00	3,391.55

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 19		
Employee benefit expense		
Salaries, wages and bonus	2,797.95	1,419.26
Contribution to provident and other funds	271.95	180.71
Staff welfare expenses	20.21	5.03
	3,090.11	1,605.00

Notes to the Financial statements for the year ended March 31, 2012

	Year ended March 31, 2012		Year ended March 31, 2011
NOTE: 20			
Other expenses			
Electricity	73.92		38.16
Rent	602.39		328.40
Rates and taxes	61.03		40.47
Insurance	40.22		23.75
Repairs and maintenance			
-Vehicles	4.04		1.78
-Others	68.40		62.79
Advertising and sales promotion	798.72		1,038.51
Travelling and conveyance	184.94		83.90
Communication costs	103.08		44.23
Printing and stationery	69.67		41.51
IT Support costs	195.46		-
Legal and professional fees	105.81		23.27
Security charges	549.54		204.16
Bad debts/advances written off	87.31	-	237.12
Provision for non performing assets, net of bad debts written off	140.54	-	(24.66)
Provision for doubtful advances	73.36	301.21	11.82
Provision for standard assets		81.76	158.47
Miscellaneous expenses		82.23	53.11
	3,322.42		2,366.79
Legal and professional charges include Payment to auditors:			
As auditor:			
Audit fee	2.75		2.50
Limited review	1.80		1.50
Certification fees	0.65		0.50
Reimbursement of expenses	0.25		0.20
	5.45		4.70

The fees disclosed above excludes ₹ 2 paid for services in connection with public issue of secured non-convertible debentures by the Company.

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 21		
Depreciation and amortisation expense		
Depreciation of tangible assets	465.98	204.45
Amortisation of intangible assets	16.88	8.51
	482.86	212.96

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

	Year ended March 31, 2012	Year ended March 31, 2011
NOTE: 22		
Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calculation of basic EPS	5,914.61	2,826.64
Weighted average number of equity shares in calculating basic EPS (Nos.)	837,277,508	742,761,651
Effect of dilution:		
Stock options granted under ESOP (Nos.)	3,956,645	10,222,897
Weighted average number of equity shares in calculating diluted EPS (Nos.)	841,234,153	752,984,548

NOTE: 23

Employee Stock Option Scheme (ESOS), 2009

The details of the Employee Stock Option Scheme 2009 are as under:

Date of share holders' approval	August 17, 2009
Number of options approved	1,000,000
Date of grant	August 17, 2009
Number of options granted	829,500
Method of settlement	Equity
Graded Vesting	50% after one year from the date of grant i.e. August 16, 2010 and balance 50% after two years from the date of grant i.e August 16, 2011
Exercisable period	4 years from vesting date
Vesting conditions	On achievement of pre-determined performance parameters.

Subsequent to the share split and bonus issue in an earlier year, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to ₹ 33.12/- per share in accordance with the terms of the scheme. Further, subsequent to bonus issue in the current year, the exercise price has been adjusted to ₹ 16.56/-

The Company has adopted the (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities and Exchange Board of India, and has recorded a compensation expense using the intrinsic value method as set out in those guidelines. The summary of the movements in options is given below:

Particulars	As at March 31, 2012	As at March 31, 2011
Options outstanding, beginning of year	4,094,880	7,850,000
Increase on account of Bonus issue	4,094,880	-
Lapsed Options restored during the year	30,000	-
Options exercised during the year	(7,404,760)	(3,755,120)
Options lapsed during the year	(695,000)	-
Options outstanding, end of year	120,000	4,094,880
Options outstanding at the yearend comprise of :		
- Options eligible for exercise at year end	120,000	169,880
- Options not eligible for exercise at year end	-	3,925,000

Notes to the Financial statements for the year ended March 31, 2012

Particulars	As at March 31, 2012	As at March 31, 2011
Weighted average remaining contract life of options	1 years 5 month	2 years 5 month
Weighted average market price of share exercised	₹ 51.06/-	₹ 144.47/-

The options outstanding at March 31, 2012 had an exercise price of ₹16.56/-

The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under:

Particulars	Vesting I August 16, 2010 50%	Vesting II August 16, 2011 50%
Option fair value (pre-split and bonus at a face value of ₹ 10/- per share)	₹ 142.43	₹ 157.92
Risk-free interest rate	6.15%	6.53%
Expected life	3 years	4 years
Expected volatility	67.11%	66.62%
Expected dividend yield	2.76%	2.76%
Share price on the date of grant (face value of ₹ 10/-)	₹ 331.15 /-	₹ 331.15 /-

The expected volatility of the stock has been determined based on historical volatility of the stock. The period over which volatility has been considered is the expected life of the option.

Pro-forma Disclosures for ESOS 2009

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for ESOS 2009 been recognised based on the fair value at the date of grant in accordance with Black-Scholes method, the amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2012			
- Amounts as reported	5,914.61	7.06	7.03
- Amounts as per pro-forma	5,902.89	7.05	7.02

Particulars	Profit after tax	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2011			
- Amounts as reported	2,826.64	3.81	3.75
- Amounts as per pro-forma	2,774.52	3.74	3.69

(All amounts are in million of Indian rupees unless otherwise stated)

Notes

to the Financial statements for the year ended March 31, 2012

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
NOTE 24								
Related party transactions								
Debentures and Subordinate Bond issued during the period	-	-	-	46.03	5.20	2.36	5.20	48.39
Mr. V.P.Nandakumar	-	-	-	46.03	-	-	-	46.03
Mrs. Sathyalakshmi	-	-	-	-	0.64	0.97	0.64	0.97
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	2.20	0.68	2.20	0.68
Ms. Biju Babu	-	-	-	-	0.80	-	0.80	-
Meenakshy Amma	-	-	-	-	1.02	-	1.02	-
Others	-	-	-	-	0.54	0.71	0.54	0.71
Debentures and Subordinate Bond redeemed during the period	-	-	-	60.10	0.83	2.57	0.83	62.67
Mr. V.P.Nandakumar	-	-	-	60.10	-	-	-	60.10
Mrs. Sathyalakshmi	-	-	-	-	0.72	1.21	0.72	1.21
Others	-	-	-	-	0.11	1.36	0.11	1.36
Interest paid	-	-	-	3.06	0.08	0.34	0.08	3.40
Mr. V.P.Nandakumar	-	-	-	3.06	-	-	-	3.06
Mrs. Sathyalakshmi	-	-	-	-	0.07	0.05	0.07	0.05
Others	-	-	-	-	0.01	0.29	0.01	0.29
Commission paid to Directors	-	-	5.28	18.60	-	-	5.28	18.60
Mr. V.P.Nandakumar	-	-	-	12.00	-	-	-	12.00
Mr. I Unnikrishnan	-	-	2.88	3.60	-	-	2.88	3.60
Mr. Raveendra Babu	-	-	2.40	3.00	-	-	2.40	3.00
Remuneration Paid to Directors	-	-	40.32	32.26	-	-	40.32	32.26
Mr. V.P.Nandakumar	-	-	25.20	20.16	-	-	25.20	20.16
Mr. I Unnikrishnan	-	-	8.40	6.72	-	-	8.40	6.72
Mr. Raveendra Babu	-	-	6.72	5.38	-	-	6.72	5.38
Advances made	-	-	-	-	1.76	1.91	1.76	1.91
Mrs. Jyothi Prasannan	-	-	-	-	1.34	1.31	1.34	1.31
Sooraj Nandan	-	-	-	-	0.42	0.60	0.42	0.60
Subscription to Equity Shares	-	-	-	-	-	1,000.00	-	1,000.00
Mrs. Sushama Nandakumar	-	-	-	-	-	1,000.00	-	1,000.00
Donation made	8.17	6.20	-	-	-	-	8.17	6.20
Manappuram Foundations	8.17	6.20	-	-	-	-	8.17	6.20
Rent Paid	-	-	1.55	0.51	-	-	1.55	0.51
Mr. V.P.Nandakumar	-	-	1.55	0.51	-	-	1.55	0.51
Rent Received	0.26	0.24	-	-	-	-	0.26	0.24
Manappuram Jewellers Private Limited	0.06	0.04	-	-	-	-	0.06	0.04
Manappuram Asset Finance Limited	0.02	0.02	-	-	-	-	0.02	0.02
Manappuram Insurance Brokers Private Limited	0.18	0.18	-	-	-	-	0.18	0.18
Sale of gold	769.55	972.70	-	-	-	-	769.55	972.70
Manappuram Jewellers Limited	769.55	972.70	-	-	-	-	769.55	972.70

Notes

to the Financial statements for the year ended March 31, 2012

Particulars	Associates / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Other Income	1.91	0.56	-	-	-	-	1.91	0.56
Manappuram Jewellers Limited	1.89	0.20	-	-	-	-	1.89	0.20
Others	0.02	0.36	-	-	-	-	0.02	0.36
Service charges from related party	12.37	-	-	-	-	-	12.37	-
Manappuram Agro farms	10.22	-	-	-	-	-	10.22	-
Manappuram Jewellers Limited	0.82	-	-	-	-	-	0.82	-
Manappuram Chits (India) Limited	0.07	-	-	-	-	-	0.07	-
Manappuram Chits India	1.23	-	-	-	-	-	1.23	-
Manappuram Chit Funds Company Private Limited	0.03	-	-	-	-	-	0.03	-
Manappuram Chits Company (Karnataka) Private Limited	0.00	-	-	-	-	-	0.00	-
Manappuram Benefit Fund Limited (Refer Note 36(b))	-	-	-	-	-	-	-	-
Manappuram Asset Finance Limited (Refer Note 36(b))	-	-	-	-	-	-	-	-
Manappuram Finance (Refer Note 36(b))	-	-	-	-	-	-	-	-
Purchase of assets	-	-	35.58	-	-	-	35.58	-
Mr. V.P.Nandakumar	-	-	35.58	-	-	-	35.58	-
Balance outstanding as at the period end:								
Amounts payable (net) to related parties	-	-	5.14	18.86	6.62	2.82	11.76	21.68
Mr. V.P.Nandakumar	-	-	-	12.26	-	-	-	12.26
Mr. I Unnikrishnan	-	-	2.88	3.60	-	-	2.88	3.60
Mr. Raveendra Babu	-	-	2.26	3.00	-	-	2.26	3.00
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	3.08	0.57	3.08	0.57
Ms. Biji Babu	-	-	-	-	0.81	-	0.81	-
Mrs. Sathyaalekshmy	-	-	-	-	1.15	0.36	1.15	0.36
Meenakshy Amma	-	-	-	-	1.04	-	1.04	-
Others	-	-	-	-	0.54	1.89	0.54	1.89
Amounts receivables (net) from related parties	12.45	0.04	-	-	4.88	3.11	17.33	3.15
Manappuram Agro firms	10.22	-	-	-	-	-	10.22	-
Manappuram Chits India	1.23	-	-	-	-	-	1.23	-
Mrs. Jyothi Prasannan	-	-	-	-	3.86	2.51	3.86	2.51
Others	1.00	0.04	-	-	1.02	0.60	2.02	0.64

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

Names of related parties

Associates / Enterprises owned	Manappuram Benefit Fund Limited
or significantly influenced by key management	Manappuram Chits (India) Limited
personnel or their relatives	Manappuram Asset Finance Limited
	Manappuram Finance (sole proprietorship)
	Manappuram Insurance Brokers Private Limited
	Manappuram Jewellers Private Limited
	Manappuram Healthcare
	Manappuram Foundations (charitable trust)
	Manappuram Chits India
	Manappuram Agro farms
	Manappuram Chit Funds Company Private Limited
	Manappuram Chits Company (Karnataka) Private Limited
Key Management Personnel	Mr. V P Nandakumar
	Mr. I Unnikrishnan
	Mr. B.N Raveendra Babu
Relatives of key management personnel	Mrs. Sushama Nandakumar
	Mr. Sooraj Nandan
	Mrs Sumitha Nandakumar
	Mrs. Jyothi Prasannan
	Mrs. Shelly Ekalavyan
	Mrs. Geetha Ravi
	Mrs. Rajalakshmi Raveendra Babu
	Mrs. Sathyalekshmy
	Meenakshy Amma
	Ms. Biji Babu
* Transactions with relatives of key management personnel are based on delcarations by the KMPs and relied upon by the auditors.	

NOTE : 25

Employment benefits disclosures:

The amounts of Provident fund contribution charged to the Profit and loss account during the year aggregates to ₹ 173.97 (Previous year - ₹ 96.51).

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India.

The following tables summaries the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Notes to the Financial statements for the year ended March 31, 2012

Profit and Loss account

Net employee benefit expense

	2012	2011
Current service cost	41.33	32.48
Interest cost on benefit obligation	4.31	0.31
Expected return on plan assets	(4.86)	(1.86)
Net actuarial loss recognised in the year	(21.69)	15.16
Net (benefit) / expense	19.09	46.09
Actual return on plan assets	5.26	2.01

Balance sheet

Reconciliation of present value of the obligation and the fair value of plan assets:

	2012	2011
Defined benefit obligation	(75.65)	(51.91)
Fair value of plan assets	81.72	37.09
Asset/(liability) recognised in the balance sheet	6.07	(14.82)
Experience adjustments on plan liabilities (Gain) / Loss	(26.07)	14.90
Experience adjustments on plan assets Gain / (Loss)	0.42	0.15

There are no experience adjustments for the years ended March 31, 2010, March 31, 2009 and March 31, 2008.

Changes in the present value of the defined benefit obligation are as follows:

	2012	2011
Opening defined benefit obligation	51.91	3.88
Interest cost	4.31	0.31
Current service cost	41.33	32.48
Benefits paid	(0.63)	(0.07)
Actuarial loss / (gain) on obligation	(21.27)	15.31
Closing defined benefit obligation	75.65	51.91

Changes in the fair value of plan assets are as follows:

	2012	2011
Opening fair value of plan assets	37.09	4.06
Expected return	4.86	1.86
Contributions by employer	39.98	31.09
Benefits paid	(0.63)	(0.07)
Actuarial gains / (losses)	0.42	0.15
Closing fair value of plan assets	81.72	37.09

The Company expects to contribute ₹ 30 to gratuity in 2012-13.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	2012	2011
	%	%
Discount rate	8.6%	8.3%
Expected rate of return on assets	8.5%	8.5%

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE: 26

Commitments

(i) Estimated amount of contracts remaining to be executed on capital account, net of advances is ₹ 127.90 (Previous year - ₹ 89.54).

(ii) The Company has entered into an agreement for outsourcing of Information Technology support in April 2011 for a period of 5 years with an annual expense of ₹ 200 .

NOTE : 27

Contingent liabilities

	2012	2011
(a) The Company is contingently liable to banks and other financial institutions with respect to assignment of gold loans to the extent of the collateral deposits / guarantees. Management does not expect the contingency to dwell on the Company.	2,600.72	1,702.76
Total	2,600.72	1,702.76

(b) Applicability of Kerala Money Lenders' Act

The Company has challenged in the Hon'ble Supreme Court the order of Hon'ble Kerala High Court upholding the applicability of Kerala Money Lenders Act to NBFCs. The Hon'ble Supreme Court has directed that a status quo on the matter shall be maintained and the matter is currently pending with the Hon'ble Supreme Court. The Company has taken legal opinion on the matter and based on such opinion the management is confident of a favourable outcome. Pending the resolution of the same, no adjustments have been made in the financial statements for the required license fee and Security deposits.

(c) Show cause notice from Reserve Bank of India

The Company has received a show cause notice from the Reserve bank of India on May 7, 2012 with certain observations made pursuant to their inspection of books and records of the Company. The Company is in process of responding to the show cause notice. Based on the internal and external legal opinion, the Company believes that it can address all observations to the satisfaction of the Reserve Bank of India. Pending resolution of the matter by the Reserve Bank of India, no adjustments, if any that may be required, have been made in these financial statements.

NOTE : 28

Additional disclosures as required by circular no DNBS(PD).CC.No.125/03.05.002/2008-2009 dated August 1, 2008 issued by the Reserve Bank of India:

a) Capital to Risk Assets Ratio		
Particulars	March 31, 2012	March 31, 2011
CRAR (%)	23.38	29.13
CRAR - Tier I Capital (%)	20.64	26.36
CRAR - Tier II Capital (%)	2.74	2.77
b) Exposure to real estate sector		

The Company does not have any direct or indirect exposure towards real estate sector.

Notes to the Financial statements for the year ended March 31, 2012

c) Asset liability management

Maturity pattern of certain items of assets and liabilities as at March 31, 2012

Liabilities	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from banks	2,755.86	6,000.00	14,122.04	14,355.24	29,438.69	1,000.00	-	112.00	67,783.83
Market borrowings #	337.65	1,179.82	1,389.48	668.57	2,571.37	6.85	-	-	6,153.74
Assets @	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances (net)	19,592.93	13,681.83	10,588.72	17,307.17	35,164.66	52.94	-	-	96,388.25
Investments	1,669.33	-	-	-	413.06	0.03	-	100.00	2,182.42
# Represents working capital demand loans from others and commercial papers under Note 7 and vehicle loans under Note 5									

Maturity pattern of certain items of assets and liabilities as at March 31, 2011

Liabilities	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from banks	6,050.06	2,050.07	1,899.27	10,642.26	17,404.94	-	-	-	38,046.60
Market borrowings #	1,708.20	2,686.12	3,060.99	2,204.00	1,002.40	4.80	2.30	-	10,668.81
Assets @	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Advances (net)	11,243.48	11,347.28	9,396.95	14,263.14	17,543.10	11.96	-	-	63,805.91
Investments	-	-	-	-	400.00	3.20	-	-	403.20
# Represents working capital demand loans from others and commercial papers under Note 7 and vehicle loans under Note 5									

These disclosures are given only for certain items of assets and liabilities from the Balance sheet as required by the above circular and is not a complete depiction of the asset liability maturity position of the Company as at March 31, 2012 and March 31, 2011.

@ The asset maturity pattern are based on expected collections pattern of the Company based on past experience.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 29

Lease Disclosures

Operating Lease :

Office premises are obtained on operating lease which are cancellable in nature.

Finance Leases:

	2012	2011
Total minimum lease payments at the year end	13.40	12.57
Less: amount representing finance charges	1.44	1.63
Present value of minimum lease payments	11.96	10.94
Lease payments for the year	6.49	2.01
Minimum lease Payments:		
Not less than one year [Present value ₹ 4.84 as on March 31, 2012 (₹ 3.78 as on March 31, 2011)]	5.96	4.55
Later than one year but not later than five years [Present value ₹ 7.12 as on March 31, 2012 (₹ 7.16 as on March 31, 2011)]	7.44	8.02
Later than five years [Present value Nil as on March 31, 2012 (Nil as on 31 March, 2011)]	-	-

NOTE : 30

Assignment Of Receivables

The Company has assigned a portion of its gold loans to banks and financial institution during the year. The aggregate amount of assigned as at March 31, 2012 is ₹ 19,163.62 (Previous year 11,182.83). These amounts have been reduced from the gross loan and hypothecation loan balances. Bank /Institution wise breakup of the same is as under.

Bank/Financial institution	2012	2011
Kotak Mahindra Bank Ltd	2,728.71	1,971.79
ICICI Bank Ltd	2,990.62	1,564.86
Federal Bank Ltd	750.00	166.55
Punjab National Bank	199.77	-
IDBI Bank Ltd	6,844.35	548.36
Dhanlaxmi Bank Ltd	2,208.02	1,849.41
Yes Bank Ltd	3,442.15	1,684.88
ING Vysya Bank Ltd	-	1,628.67
Axis Bank Ltd (UTI Bank)	-	1,118.19
Development Credit Bank Ltd	-	199.72
IndusInd Bank Ltd	-	450.40
	19,163.62	11,182.83

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 31

Cash collateral deposits

Deposit with Banks includes Cash collaterals deposits aggregating ₹ 3,421.49 (Previous year ₹ 2,119.41) towards assignments and other approved facilities. Bank /institution wise breakup of the same is as under :

Bank/Financial institution	2012	2011
Andhra Bank	206.93	125.00
Aditya Birla Finance Ltd (with CSB)	6.25	-
DBS Bank Ltd	37.50	37.50
Development Credit Bank Ltd	25.00	25.00
Dena Bank	50.00	37.50
Dhanlaxmi Bank Ltd	425.82	365.33
The Federal Bank Ltd	200.00	50.00
HDFC Bank Ltd	110.35	153.57
ICICI Bank Ltd	243.44	192.73
IDBI Bank Ltd	376.13	155.00
Indian Overseas Bank	292.54	275.32
The Jammu and Kashmir Bank Ltd	125.00	50.00
The Karnataka Bank Ltd	25.00	-
The Karur Vysya Bank Ltd	12.50	25.00
Kotak Mahindra Bank Ltd	38.37	35.54
Punjab National Bank	25.00	-
The South Indian Bank Ltd	186.99	127.89
State Bank of India	400.00	-
State Bank of Mauritius Ltd	25.00	-
United Bank of India	150.00	100.00
Vijaya Bank	100.00	-
Yes Bank Ltd	359.67	209.24
ING Vysya Bank Ltd	-	54.79
Uco Bank	-	100.00
	3,421.49	2,119.41

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 32 (A)

Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	2012	2011	2012	2011	2012	2011
Secured Loans						
A) Gold Loan						
Standard Asset	95,532.17	63,477.61	239.70	158.23	95,292.47	63,319.38
Sub Standard Asset	376.42	76.27	37.64	7.63	338.78	68.64
Doubtful Asset	15.08	12.26	3.54	1.94	11.54	10.32
Loss Asset	239.48	109.60	239.48	109.60	-	-
Total - A	96,163.15	63,675.74	520.36	277.40	95,642.79	63,398.34
B) Hypothecation Loan						
Standard Asset	-	18.79	-	0.05	-	18.74
Sub Standard Asset	-	26.69	-	26.69	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - B	-	45.48	-	26.74	-	18.74
C) Stock on Hire						
Standard Asset	-	0.30	-	0.00	-	0.30
Sub Standard Asset	-	1.30	-	1.30	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - C	-	1.60	-	1.30	-	0.30
D) Other Loans						
Standard Asset	199.21	54.40	0.50	0.14	198.71	-
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	-	-	-	-	-	-
Loss Asset	-	-	-	-	-	-
Total - D	199.21	54.40	0.50	0.14	198.71	-
Total (A+B+C+D)	96,362.36	63,777.22	520.86	305.58	95,841.50	63,417.38
Unsecured Loans						
A) Other Loans						
Standard Asset	10.38	20.22	0.03	0.05	10.35	20.17
Sub Standard Asset	-	-	-	-	-	-
Doubtful Asset	15.51	8.47	15.51	8.47	-	-
Loss Asset	-	-	-	-	-	-
Total	25.89	28.69	15.54	8.52	10.35	20.17

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 32 (A)

Gold and other loan portfolio classification and provision for non performing assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision For Assets		Net Loan Outstanding	
	2012	2011	2012	2011	2012	2011

NOTE : 32 (B)

Provision for diminution in value of investments

Particulars	2012	2011
Provision for diminution in value of investments	-	-

NOTE : 33

Additional disclosures as required by circular no DNBS.CC.PD.No.265/03.10.01/2011-2012 dated March 21, 2012 issued by the Reserve Bank of India:

Particulars	2012	2011
Total Gold loan portfolio	96,163.15	63,675.74
Total Assets	120,768.42	77,826.61
Gold loan portfolio as a %age of total assets	79.63%	81.82%

NOTE : 34

Expenditure in foreign currency

Particulars	2012	2011
Travel	0.14	2.52
Consultancy charges	-	7.96
	0.14	10.48

NOTE : 35

Value of imports on C.I.F basis

Particulars	2012	2011
Capital goods	30.97	2.52
	30.97	2.52

NOTE: 36

Transactions with related parties

a) Remuneration to relatives of director

The Company had in an earlier year made an application to Central Government for approval of remuneration paid to relatives of director holding office or place of profit in the Company. During the current year, the application has been rejected by the Central Government. Subsequently, the Company has made an application to the Central Government to waive the amounts paid to the relatives in the earlier years. Pending the receipt of the approval the entire amount paid of ₹ 4.87 is shown as receivable from them.

b) Transactions under Section 297 of the Companies Act, 1956

The Company had shared common infrastructure facilities and performed / received collection services from other companies covered under Section 301 of the Companies Act, 1956. The Company is in the process of obtaining necessary approvals / condonations from the Central Government, if any that may be required in respect of the various classes of transactions entered into with parties covered under Section 297 of the Companies Act, 1956, including certain free of cost transactions. The Company has also made provision for the probable compounding fees payable.

(All amounts are in million of Indian rupees unless otherwise stated)

Notes to the Financial statements for the year ended March 31, 2012

NOTE : 37

Utilisation of proceeds of public issue

During the current year, the Company has raised ₹ 4,416.19 by way of public issue of Secured Non Convertible debentures (public issue) to be utilised to meet its various financing activities including lending and investments and towards business operations including for capital expenditure and working capital requirements. As at March 31, 2012, the Company has utilised the entire proceeds of the public issue, net of issue expenses in accordance with the objects stated in the offer document.

NOTE : 38

During the year there have been certain instances of fraud on the Company by employees where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating ₹ 38.32 million. The Company has fully provided for these amounts in the financial statements and is in the process of recovering these amounts from the employees and taking appropriate legal actions.

NOTE : 39

Comparatives

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For **S. R. BATLIBOI & ASSOCIATES**

Chartered Accountants

Firm Registration Number: 101049W

For and on behalf of the Board of Directors

per **S. Balasubrahmanyam**

Partner

Membership No.: 053315

V. P. Nandakumar

Executive Chairman

I. Unnikrishnan

Managing Director

B. N. Raveendra Babu

Joint Managing Director

Place: Kochi

Date: May 18, 2012

M. Anandan

Director

A. L. Bindu

Chief Financial Officer

K. Rajesh Kumar

Company Secretary

Cash Flow Statement for the year ended March 31, 2012

	March 31, 2012	March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	8,772.06	4,238.96
Depreciation and amortisation	482.86	212.96
Loss/ (profit) on sale of fixed assets	(1.93)	2.28
Net gain on sale of current investments	(45.56)	(3.96)
Gain on unquoted mutual funds	(32.39)	-
Interest income	(221.20)	(124.67)
Dividend Income	-	(3.62)
Provision for standard assets	81.76	158.47
Bad debts/advances written off and provision for non performing assets	227.85	212.46
Provision for doubtful advances	73.36	11.82
Operating profit before working capital changes	9,336.81	4,704.70
Movements in working capital :		
Increase/ (decrease) in other current liabilities	1,060.15	315.67
Decrease / (increase) in long-term loans and advances	(223.57)	(185.81)
Decrease / (increase) in short-term loans and advances	(32,841.72)	(45,215.57)
Decrease / (increase) in other current assets	(5,439.80)	(3,183.44)
Decrease / (increase) in other bank balances (net)	(1,663.17)	(930.34)
Cash generated from /(used in) operations	(29,771.30)	(44,494.79)
Direct taxes paid (net of refunds)	(2,933.68)	(1,441.62)
Net cash flow from/ (used in) operating activities (A)	(32,704.98)	(45,936.41)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including CWIP	(1,421.69)	(1,096.42)
Proceeds from sale of fixed assets	3.05	2.63
Purchase of Investment	(2,850.00)	(5,770.00)
Sale/ maturity of Investment	1,148.73	6,777.45
Interest received	188.87	82.35
Dividend received	-	3.62
Net cash flow from/ (used in) investing activities (B)	(2,931.04)	(0.37)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	122.62	11,124.38
Share issue expenses	-	(235.64)
Proceeds from Institutional debentures	4,510.66	3,438.00
Repayment of Institutional debentures	(3,000.00)	-
Proceeds from Public issue of debentures	4,416.19	-
Proceeds from Institutional debentures (short term)	500.00	-
Increase / (decrease) in secured debentures including application money (net)	3,429.06	(1,027.47)
Proceeds from commercial paper	58,205.77	21,810.03
Repayment of commercial paper	(65,892.70)	(12,452.89)
Proceeds from subordinated debt	500.00	1,000.00
Increase / (decrease) in subordinate bond (net)	1,039.31	566.47
Increase / (decrease) in vehicle loans (net)	1.02	8.39
Increase / (decrease) in deposits including inter-corporate deposits (net)	(12.46)	(12.92)
Proceed from Term loan from Bank	2,112.00	-
Increase / (decrease) in bank borrowings (net)	27,625.23	24,388.01

(All amounts are in million of Indian rupees unless otherwise stated)

	March 31, 2012	March 31, 2012
Increase / (decrease) in borrowings from others (net)	3,170.83	450.00
Increase / (decrease) in Other long term liabilities (net)	59.40	11.38
Dividends paid	(918.50)	(169.86)
Tax on dividend paid	(149.35)	(28.27)
Net cash flow from/ (used in) in financing activities (C)	35,719.08	48,869.61
Net increase/(decrease) in cash and cash equivalents (A + B + C)	83.06	2,932.83
Cash and cash equivalents at the beginning of the year	4,421.06	1,488.23
Cash and cash equivalents at the end of the year	4,504.12	4,421.06
Components of cash and cash equivalents		
Cash on hand	1,055.23	1,188.01
With banks		
- on current account#	3,414.45	2,480.92
- on deposit account	30.00	750.00
- on unpaid dividend account *	4.44	2.13
Total cash and cash equivalents (note 15)	4,504.12	4,421.06

includes amounts in Escrow account towards closed public deposits ₹ 0.62 (previous year: Rs 11.44), which can be utilized towards settlement of deposits.

* The Company can utilize the balance only towards the settlement of unpaid dividend liability.

For **S. R. BATLIBOI & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 101049W

For and on behalf of the Board of Directors

per **S. Balasubrahmanyam**
Partner
Membership No.: 053315

V. P. Nandakumar
Executive Chairman

I. Unnikrishnan
Managing Director

B. N. Raveendra Babu
Joint Managing Director

Place: Kochi
Date: May 18, 2012

M. Anandan
Director

A. L. Bindu
Chief Financial Officer

K. Rajesh Kumar
Company Secretary

(All amounts are in million of Indian rupees unless otherwise stated)

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in lakhs)

Sl No	Particulars	Amount Outstanding	Amount Overdue
Liabilities side :			
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a)	Debentures : Secured	152,981.72	
	: Unsecured	1,492.00	
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	-	
(c)	Term Loans	21,239.60	
(d)	Inter-corporate loans and borrowing	-	
(e)	Commercial Paper	24,677.28	
(f)	Public Deposits*	-	
(g)	Other Loans:		
	Subordinate bond	43,596.08	40.60
	Bank	657,004.62	
	Others	38,208.30	
* Please see Note 1 below			

Assets side :

Amount outstanding

(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a)	Secured	1,052,762.70
(b)	Unsecured	7,821.20
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities	
(i)	Lease assets including lease rentals under sundry debtors :	
(a)	(a) Financial lease	-
(b)	(b) Operating lease	-
(ii)	Stock on hire including hire charges under sundry debtors:	-
(a)	Assets on hire	-
(b)	Repossessed Assets	-
(iii)	Other loans counting towards AFC activities	-
(a)	Loans where assets have been repossessed	-
(b)	Loans other than (a) above	-

(All amounts are in million of Indian rupees unless otherwise stated)

(4) Break-up of Investments :**Current Investments:****1 Quoted :**

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

2 Unquoted :

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	20,823.90
(iv) Government Securities	-
(v) Others	-

Long Term investments:**1 Quoted :**

(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

2 Unquoted :

(i) Shares : (a) Equity	0.30
(b) Preference	-
(ii) Debentures and Bonds	1,000.00
(iii) Units of mutual funds	-
(iv) Government Securities	-
(v) Others	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :

Please see Note 2 below

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	123.70	123.70
2. Other than related parties	1,052,762.70	7,697.50	1,060,460.20
Total	1,052,762.70	7,821.20	1,060,583.90

** As per Accounting Standard of ICAI (please see Note 3)

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company

(as required in terms of paragraph 13 of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Please see note 3 below

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,000.30	1,000.30
Total	1,000.30	1,000.30

(7) Other Information :

	Amount outstanding
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	6,464.90
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	3,503.20
Assets acquired in satisfaction of debt	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For S. R. BATLIBOI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 101049W

For and on behalf of the Board of Directors

per S. Balasubrahmanyam
Partner
Membership No.: 053315

V. P. Nandakumar
Executive Chairman

I. Unnikrishnan
Managing Director

B. N. Raveendra Babu
Joint Managing Director

Place: Kochi
Date: May 18, 2012

M. Anandan
Director

A. L. Bindu
Chief Financial Officer

K. Rajesh Kumar
Company Secretary

(All amounts are in million of Indian rupees unless otherwise stated)

Corporate Information

Registered office

V/104 Manappuram House
Valapad PO, Thrissur 680567
Kerala
Phone No(s): 0487-3050100, 108
Fax No.: 0487- 2399298
Email: cosecretary@manappuram.com
Website: www.manappuram.com

Company Registration No: 09-06623
CIN NO: L65910KL1992PLC006623
RBI Registration No: B.16.00029

Executive Chairman

Mr. V. P. Nandakumar

Managing Director

Mr. I. Unnikrishnan

Joint Managing Director

Mr B. N. Raveendra Babu

Board Members

Adv. V. R. Ramachandran
Mr. A. R. Sankaranarayanan
Mr. P. Manomohanan
Dr. V. M. Manoharan
Mr. M. Anandan
Mr. Shailesh J Mehta
Mr. Jagdish Capoor
Mr. Gautam Saigal
Mr. Sudhindar Krishan Khanna

Company Secretary

Mr. Rajesh Kumar.K

Chief Financial Officer

Ms. Bindhu A. L.

Chief General Manager

Mr. N. R. Bahuleyan

Chief Technical Advisor

Mr. K. B. Brahmadathan
(Retd. Chief General Manager BSNL)

Registrar and Share Transfer Agents

M/s SKDC Consultants Limited
Kanapathy Towers
3rd Floor, 1391/A-1, Sathy Road
Ganapathy PO, Coimbatore-641 006
Ph 0422 6549995, 0422 2539835
info@skdc-consultants.com

Statutory Auditors

M/s S.R. Batliboi & Associates
Chartered Accountants (Firm Registration Number: 101049W)
TIDEL Park, 6th and 7th Floor - A Block, Module 601, 701-702,
No 4 Rajiv Gandhi Salai, Taramani,
Chennai-600 113, Ph: + 91 44 6654 8100

Share Listed at

Bombay Stock Exchange
Cochin Stock Exchange
Madras Stock Exchange
BSE Scrip Code 531213
ISIN – INE 522 D 01027

Bankers

Andhra bank
United Bank of India
Dena Bank
Indusind Bank
State Bank of India
Axis Bank
State Bank of Travancore
Corporation Bank
UCO Bank
Punjab & Sind Bank
Ratnakar Bank
Union Bank
Vijaya Bank
DBS
HDFC Bank
Dhanlaxmi Bank
Punjab National Bank
State Bank of Mauritius
Oriental Bank of Commerce
ICICI Bank
Lakshmi Vilas Bank
State Bank of Patiala
Kotak Mahindra Bank
Syndicate Bank
Development Credit Bank
Indian Overseas Bank
IDBI Bank
South Indian Bank
Federal bank
Karur Vysya Bank
Catholic Syrian Bank
Karnataka Bank
Yes Bank
Central bank

Notes

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Events at Manappuram





Registered office

V/104 Manappuram House
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www.manappuram.com