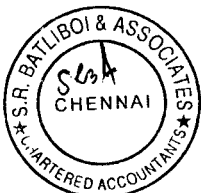


Auditors' Report

To
The Members of Manappuram General Finance and Leasing Limited

1. We have audited the attached Balance Sheet of Manappuram General Finance and Leasing Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account 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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



S.R. BATLIBOI & ASSOCIATES

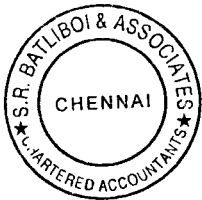
Chartered Accountants

- 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;
- in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - in the case of the profit and loss account, of the profit for the year ended on that date; and
 - in the case of cash flow statement, of the cash flows for the year ended on that date.

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

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

Place: Chennai
Date April 28, 2011



S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

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

Re: Manappuram General Finance and Leasing 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 Rs. 3.56 million and the year-end balance of loan taken from such party was Rs. 1.64 million.
- (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, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.



S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

- (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) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, 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, 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, customs duty and excise duty are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, 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.
- (c) According to the records of the Company, there are no dues outstanding of sales-tax on account of any dispute. The dues outstanding of income tax and service tax on account of a dispute are as follows:



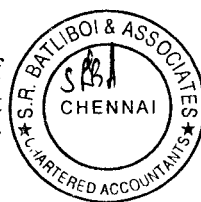
S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

(Amount in millions)

Name of the Statute	Nature of dues	Period of dispute	Amount	Forum where it is pending
Income Tax Act 1961	Income tax	2005-06	0.35	Income tax appellate tribunal
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) The Company did not have any term loans outstanding during the year.
- (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 made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the prices at which the shares have been allotted are not prejudicial to the interest of the Company.
- (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 1,188 million which had been issued recently. We are informed by the management that the Company is taking steps to create security for the debentures issued.
- (xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company. The Company has made private placement of its equity



S.R. BATLIBOI & ASSOCIATES

Chartered Accountants

shares to certain Qualified Institutional Buyers ("QIB") which in our opinion and based on information and explanations given by management does not constitute a public issue.

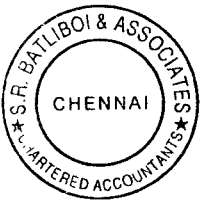
(xxi) *As more fully discussed in Note 17 of Schedule 18 to the financial statements and as informed by the management, we report that, during the year there have been certain instances of fraud on the Company by employees where gold loan related misappropriations / cash embezzlements have occurred for amounts aggregating Rs 24.87 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.*

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that there are no other instance of fraud on or by the Company that have been noticed or reported during the course of our audit, other than those described above.

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

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

Place: Chennai
Date: April 28, 2011



MANAPPURAM GENERAL FINANCE AND LEASING LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH 2011

Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Balance Sheet as at March 31, 2011

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

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	833.75	340.39
Reserves and surplus	2	18,405.82	5,765.21
Loan funds			
Secured loans	3	43,723.07	16,500.50
Unsecured loans	4	12,817.03	1,856.12
		<u>75,779.67</u>	<u>24,462.22</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	1,651.82	669.80
Less : Accumulated depreciation / amortisation		332.80	135.63
Net block		<u>1,319.02</u>	<u>534.17</u>
Capital work in progress including advances		68.64	1.23
Intangible assets (net)			
	5	59.84	33.55
Investments			
	6	403.20	1,406.70
Deferred tax asset (net)			
	7	87.07	33.35
Current Assets, Loans and Advances			
Cash and bank balances	8	6,663.69	2,682.08
Other current assets	9	4,947.51	1,878.88
Loans and advances	10	64,141.68	18,907.13
		<u>75,752.88</u>	<u>23,468.09</u>
Less : Current liabilities and provisions			
Current liabilities	11	1,126.34	810.28
Provisions	12	784.64	204.59
		<u>1,910.98</u>	<u>1,014.87</u>
Net current assets			
		<u>73,841.90</u>	<u>22,453.22</u>
		<u>75,779.67</u>	<u>24,462.22</u>
Notes to accounts	18		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

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

per S. Balasubrahmanyam
 Partner
 Membership No.: 053313

For and on behalf of the Board of Directors

V.P.Nandakumar
 Executive Chairman

I. Unnikrishnan
 Managing Director

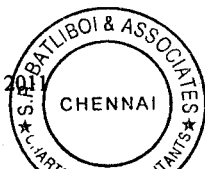
B.N Raveendra Babu
 Joint Managing Director

M. Anandan
 Director

A.L.Bindu
 Chief Financial Officer

C.Radhakrishnan
 Company Secretary

Place: Chennai
 Date: April 28, 2011



Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Profit and Loss Account for the year ended March 31, 2011

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

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Income from services	13	11,654.20	4,699.77
Other income	14	161.06	82.24
		11,815.26	4,782.01
EXPENDITURE			
Personnel expenses	15	1,605.00	536.40
Operating and other expenses	16	2,438.71	1,000.75
Depreciation / amortization	5	212.96	57.37
Financial expenses	17	3,319.63	1,369.23
		7,576.30	2,963.75
Profit before tax		4,238.96	1,818.26
Less: Provision for tax			
- Current tax		1,466.04	640.11
- Deferred tax		(53.72)	(19.07)
Profit after tax		2,826.64	1,197.22
Balance brought forward from previous year (Also refer Schedule 2)		917.11	188.73
Amounts adjusted on amalgamation of MAFIT			
- Profit after tax and appropriation for the financial year 2008-09		-	88.12
Profit available for appropriation		3,743.75	1,474.07
Appropriations:			
- Transfer to Statutory Reserve		565.33	239.45
- Transfer to General Reserve		282.67	119.72
- Transfer to Capital Redemption Reserve		-	17.15
- Proposed Dividend on Equity Shares		500.25	165.89
- Tax on distributed profit		81.14	27.21
Net profit carried forward to balance sheet		2,314.36	904.65

Earnings per share information (Refer note 18.6)

Earnings per share

- Weighted average number of equity shares

- Basic

371,380,825

292,648,250

- Diluted

376,492,274

294,478,720

- Basic earnings per share (in Rs.)

7.61

4.09

- Diluted earnings per share (in Rs.)

7.51

4.07

Nominal value of equity shares

Rs. 2/-

Rs. 2/-

Notes to Accounts

18

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

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

per S. Balasubrahmanyam
Partner
Membership No.: 053315

For and on behalf of the Board of Directors

V.P. Nandakumar I. Unnikrishnan B.N. Raveendra Babu
Executive Chairman Managing Director Joint Managing Director

Place: Chennai
Date: April 28, 2011



M. Anandan
Director

A.L. Bindu
Chief Financial Officer

C. Radhakrishnan
Company Secretary

Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Cash Flow Statement for the year ended March 31, 2011

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

	Year ended March 31, 2011	Year ended March 31, 2010
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	4,238.96	1,818.26
Adjustments for:		
Depreciation / amortization	212.96	57.37
Loss on sale of fixed assets	2.28	4.34
(Profit) / Loss on sale of investments	(3.96)	0.43
Interest income	(124.67)	(66.26)
Dividend income	(3.62)	(0.48)
Interest expense	3,156.59	1,304.54
Provision for standard assets	158.47	-
Bad debts written off and provision for bad debts	224.28	141.99
Operating profit before working capital changes	7,861.29	3,260.19
Movements in working capital :		
Decrease / (Increase) in other current assets	(3,026.12)	(999.34)
Decrease / (Increase) loans and advances	(45,458.84)	(14,218.30)
Increase / (Decrease) in current liabilities and provisions	228.75	254.41
Cash generated from operations	(40,394.92)	(11,703.04)
Direct taxes paid (net of refunds)	(1,442.22)	(653.38)
Net cash from operating activities	(41,837.14)	(12,356.42)
B. Cash flows from investing activities		
Purchase of fixed assets	(1,096.42)	(297.24)
Proceeds from sale of fixed assets	2.63	0.74
Purchase of investments	(5,770.00)	(2,680.13)
Sale / maturity of investments	6,777.46	1,284.24
Interest received	82.16	44.21
Dividends received	3.62	-
Net cash from investing activities	(0.55)	(1,648.18)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	11,124.38	2,677.19
Share issue expenses adjusted against securities premium	(235.64)	(76.19)
Redemption of preference shares	-	(40.00)
Increase / (decrease) in secured debentures including application money (net)	2,410.52	1,801.77
Increase / (decrease) in bank borrowings (net)	24,388.01	9,640.91
Increase / (decrease) in borrowings from others (net)	450.00	200.00
Increase / (decrease) in subordinate bond (net)	613.62	477.88
Increase / (decrease) in deposits including inter-corporate deposits (net)	(19.74)	(29.95)
Proceeds from commercial paper	21,810.03	3,316.31
Repayment of commercial paper	(12,452.89)	(2,665.58)
Increase / (decrease) in vehicle loans (net)	8.39	(0.39)
Proceeds from subordinated debt	1,000.00	-
Interest paid	(3,079.25)	(1,227.99)
Dividends paid	(169.86)	(54.85)
Tax on dividend paid	(28.27)	(9.14)
Net cash used in financing activities	45,819.30	14,009.97



Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Cash Flow Statement for the year ended March 31, 2011

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

	Year ended March 31, 2011	Year ended March 31, 2010
Net increase in cash and cash equivalents (A + B + C)	3,981.61	5.37
Cash and cash equivalents at the beginning of the year	2,682.08	1,133.96
Add: Adjustment on account of amalgamation	-	1,542.75
Cash and cash equivalents at the end of the year	6,663.69	2,682.08

Components of cash and cash equivalents as at March 31, 2011

Cash and cheques on hand	1,188.01	644.98
With banks		
- on current account#	2,480.92	841.12
- on deposit account*	2,992.30	1,193.85
- on unpaid dividend accounts**	2.46	2.13
	<u>6,663.69</u>	<u>2,682.08</u>

* Includes cash collateral deposits held with banks Rs. 2,119.41 (previous year Rs 1,182.57) which are not available for use by the Company.

includes amounts in Escrow account towards closed public deposits Rs 11.44 not available for use by the Company as they represent corresponding deposit liabilities (previous year: Nil)

**These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

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

per S Balasubrahmanyam
Partner
Membership No.: 053315

For and on behalf of the Board of Directors

V.P. Nandakumar I. Unnikrishnan B.N. Kaveendra Babu
Executive Chairman Managing Director Joint Managing Director

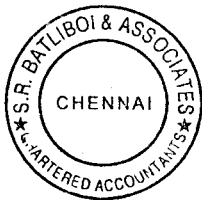
M. Anandan
Director

A.L. Bindu
Chief Financial Officer

C. Radhakrishnan
Company Secretary

Place: Chennai

Date: April 28, 2011



Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

	As at March 31, 2011	As at March 31, 2010
Schedule 1: Share capital		
<i>Authorized</i>		
530,000,000 equity shares of Rs. 2/- each (Previous year - 106,000,000 equity shares of Rs. 10/- each)	1,060.00	1,060.00
400,000 (Previous year - 400,000) redeemable preference shares of Rs. 100/- each	40.00	40.00
<i>Issued, subscribed and paid-up</i>		
416,874,188 equity shares of Rs. 2/- each (Previous year - 34,038,522 equity shares of Rs. 10/- each) fully paid up*	833.75	340.39
	<u>833.75</u>	<u>340.39</u>

* (i) 27,500,000 equity shares of Rs 2/- each (2010 - 5,500,000 equity shares of Rs 10/- each) are allotted as fully paid up bonus shares by capitalisation of General Reserve - Rs. 40 (Previous year - Rs. 40) and Securities Premium - Rs. 15 (Previous year - Rs. 15) in earlier years.

(ii) 170,192,610 (2010 - Nil) equity shares of Rs.2/- each are allotted as fully paid up bonus shares by capitalisation of Capital redemption reserve - Rs 40 (Previous year - Nil) and Securities Premium Account - Rs 300.39 (Previous year - Nil) in the current year.

Also, refer Note 18.3

Schedule 2: Reserves and surplus

<i>Capital redemption reserve</i>		
Opening balance	40.00	22.85
Add: Transferred from Profit and loss account		17.15
Less: Capitalised for bonus issue	(40.00)	-
	-	<u>40.00</u>
<i>Securities premium account</i>		
Opening balance	3,988.96	877.30
Add: Securities premium on merger of MAFIT as at April 1, 2008	-	4.22
Add: Securities premium of MAFIT from April 1, 2008 to March 31, 2009 (net of share issues expenses)	-	527.51
Add: Securities premium on issue of shares	10,971.39	2,656.12
Less: Capitalised for bonus issue	(300.39)	-
Less: Share issues expenses adjusted against securities premium	(235.64)	(76.19)
	<u>14,424.32</u>	<u>3,988.96</u>
<i>Statutory reserve</i>		
Opening balance	450.75	152.90
Add: Statutory Reserve on merger of MAFIT as at April 1, 2008	-	23.60
Add: Statutory Reserve of MAFIT from April 1, 2008 to March 31, 2009	-	34.80
Add: Transferred from Profit and loss account	565.33	239.45
	<u>1,016.08</u>	<u>450.75</u>
<i>General reserve</i>		
Opening balance	368.39	194.39
Add: General Reserve on merger of MAFIT - as at April 1, 2008	-	80.65
Add: General Reserve of MAFIT from April 1, 2008 to March 31, 2009	-	34.80
Less: Adjustment to General Reserve on merger with MAFIT	-	(61.17)
Add: Transferred from Profit and loss account	282.67	119.72
	<u>651.06</u>	<u>368.39</u>
<i>Profit & Loss Account</i>		
Add: Profit & Loss account on merger of MAFIT as at March 31, 2008	2,314.36	904.65
	-	12.46
	<u>2,314.36</u>	<u>917.11</u>
	<u>18,405.82</u>	<u>5,765.21</u>

(Handwritten signatures and initials)



Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

	As at March 31, 2011	As at 31-Mar-10
Schedule 3: Secured loans		
1,328,535 (Previous year - 2,619,833) 7.5% - 13% (Previous year 9% - 14.5%) Secured Non-convertible Debentures of Rs. 1,000/- - Rs 1,000,000/- each redeemable at par at the end of the term of each series of debentures ranging between 1-5 years*	5,012.85	2,619.84
Add: Interest accrued and due thereon	2.68	19.52
	5,015.53	2,639.36
From banks		
- Cash credit / overdraft*	7,488.19	257.93
- Working Capital Loans*	30,558.41	13,400.66
From Others		
- Working Capital Loans*	650.00	200.00
Vehicle loans (Secured by hypothecation of vehicles)	10.94	2.55
	43,723.07	16,500.50

* Refer note 18.13

Schedule 4: Unsecured loans

Deposits (Due within one year - Rs Nil (Previous year - Rs 6.90))	-	18.54
Debenture application money	20.00	2.49
Inter-Corporate Deposits (Due within one year - Rs 1.64 (Previous year - Rs 2.84))	1.64	2.84
Commercial Paper (Due within one year - Rs 10,007.87 (Previous year - Rs 650.73))	10,007.87	650.73
Subordinate bond (Due within one year - Rs 63.06 (Previous year - Nil))	1,778.76	1,165.14
Subordinate debt (Due within one year - Nil (Previous year - Rs 1,000.00))	1,000.00	-
Interest Accrued and Due	8.76	16.38
	12,817.03	1,856.12

Schedule 5 on fixed assets is set out in the following page

Schedule 6 on investments is set out in the following page

Schedule 7: Deferred tax (liability) / asset (net)

Deferred Tax Liability

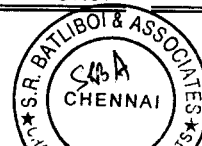
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	(34.39)	(34.76)
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Deferred tax asset

Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	15.71	4.29
Provision for loans and advances	105.75	63.82
Net Deferred tax asset / (liability)	87.07	33.35

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

Schedule 5: Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION/ AMORTIZATION				NET BLOCK	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Freehold Land*	31.32	-	-	31.32	-	-	-	-	31.32	31.32
Building	15.12	66.02	-	81.14	0.42	0.51	-	0.93	80.21	14.70
Office equipment	60.20	113.02	0.26	172.96	13.61	26.75	0.19	40.17	132.79	46.59
Computer equipment	168.82	203.33	9.50	362.65	62.68	106.05	6.10	162.63	200.02	106.14
Furniture and Fittings	383.89	595.34	0.29	978.94	56.38	69.51	0.28	125.61	853.33	327.51
Vehicle**	9.55	14.34	1.46	22.43	2.52	1.60	0.70	3.42	19.01	7.03
Plant & Machinery	0.90	2.16	0.68	2.38	0.02	0.03	0.01	0.04	2.34	0.88
Total	669.80	994.21	12.19	1,651.82	135.63	204.45	7.28	332.80	1,319.02	534.17
Figures for the previous year	325.70	353.04	8.94	669.80	71.85	67.63	3.85	135.63	534.17	
Intangible assets										
Softwares	46.03	34.80	-	80.83	12.48	8.51	-	20.99	59.84	33.55
TOTAL	46.03	34.80	-	80.83	12.48	8.51	-	20.99	59.84	33.55
Figures for the previous year	29.95	16.08	-	46.03	6.03	6.45	-	12.48	33.55	

* The Company is in the process of registering the title of the land acquired in an earlier year for Rs 0.7 in its name.

** Includes vehicles taken on finance lease/hire purchase- Gross block Rs 18.39 (Previous year Rs 6.62); Depreciation for the year Rs 1.18 (Previous Year Rs 0.50) and Net Block Rs 16.81 (Previous Year Rs 5.65)



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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

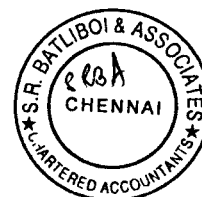
Schedules to accounts

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

	As at March 31, 2011	As at March 31, 2010
Schedule 6: Investments		
Long Term Investments		
<i>(Quoted, at cost)</i>		
A. Other than trade		
32,000 (Previous year - 62,000) units of Rs. 100 each in 7.38% Govt. of India Bond	3.15	6.15
100 (Previous year - 100) equity share of Rs. 10 each fully paid in The Dhanalakshmi Bank Limited.	0.01	0.01
300 (Previous year - 300) equity share of Rs. 10 each fully paid in Vijaya Bank Limited	0.01	0.01
<i>(Unquoted, at cost)</i>		
A. Other than trade		
1,000 (Previous year - 1,000) equity share of Rs. 10 each fully paid in The Catholic Syrian Bank Limited.	0.03	0.03
Current Investments - (Unquoted, at lower of cost and market value)		
Nil units (previous year - 1,629) of Rs. 20.46/- each in Sundaram Mutual Fund	-	0.03
40,000,000 (previous year - Nil) of Rs. 10 each in State Bank of India - Debt Fund Series - 370 Days - 7- Growth	400.00	-
Nil units (previous year - 279,730) of Rs. 1,001.29/- each in Reliance Money Manager Fund - Institutional Option - Daily Dividend	-	280.09
Nil units (previous year - 13,978,308) of Rs. 10.0179/- each in DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvest	-	140.03
Nil units (previous year - 98,035,440) of Rs. 10/- each in LICMF - Floating Rate Fund - Short term plan - Daily Dividend Plan	-	980.35
	403.20	1,406.70
Aggregate amount of quoted investments	3.17	6.17
Market value of quoted investments	3.37	6.37
Aggregate amount of unquoted investments	400.03	1,400.54

Refer Note 10 of Schedule 18 for details of investments purchased and sold during the year.

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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

As at
March 31, 2011 As at
March 31, 2010

Schedule 8: Cash and bank balances

Cash on hand	1,188.01	644.98
Balances with scheduled banks		
- on current accounts*	2,480.92	841.12
- on deposit accounts**	2,992.30	1,193.85
- on unpaid dividend accounts	2.46	2.13
	<u>6,663.69</u>	<u>2,682.08</u>

* includes amounts in Escrow account towards closed public deposits Rs 11.44 (previous year: Nil)

** deposit accounts includes collateral deposit towards gold loans assigned and other facilities (Refer Note 12 to Schedule 18)

Schedule 9: Other current assets

Interest accrued	4,658.43	1,827.89
Stock of gold coins / auction gold	287.17	48.53
Others	1.91	2.46
	<u>4,947.51</u>	<u>1,878.88</u>

Schedule 10: Loans and advances

Secured, considered good

Loans:

- Gold	63,574.42	18,456.23
- Hypothecation	18.79	172.38
- Stock on Hire	0.29	8.24
- Others	77.11	57.52

Unsecured, considered good

Advances recoverable in cash or kind or for value to be received

Deposits	123.88	62.15
	347.19	150.61
	<u>64,141.68</u>	<u>18,907.13</u>

Secured, considered doubtful

Loans:

- Gold	130.99	56.03
- Hypothecation	26.69	114.40
- Stock on Hire	1.31	14.15
- Others	5.98	5.73

Unsecured, considered doubtful

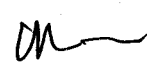
Advances recoverable in cash or kind or for value to be received

	-	-
	2.49	1.81
	<u>167.46</u>	<u>192.12</u>

Less: Provision for doubtful loans and advances

	167.46	192.12
	<u>64,141.68</u>	<u>18,907.13</u>







Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

	As at March 31, 2011	As at March 31, 2010
Schedule 11: Current liabilities		
Sundry creditors for expenses*	275.56	148.81
Book overdraft	5.09	6.68
Interest accrued but not due on loans	270.91	169.11
Unmatured finance charges	197.90	339.17
Sundry deposits	10.95	20.08
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
a) Unpaid dividends	2.46	2.13
b) Unpaid matured Deposits	2.14	4.58
c) Unmatured Deposits	9.30	-
Other liabilities	352.03	119.72
	<u>1,126.34</u>	<u>810.28</u>

* There are no dues outstanding to any enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006, based on the information available with the Company during the year and as at March 31, 2011 and March 31, 2010.

Schedule 12: Provisions

Provisions for taxation (net of advance tax and tax deducted at source)	29.96	6.13
Provision for standard assets	158.47	-
Provision for gratuity	14.82	-
Proposed final dividend	500.25	170.19
Tax on proposed dividend	81.14	28.27
	<u>784.64</u>	<u>204.59</u>

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedules to accounts

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

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 13: Income from services		
Interest and other income from		
- Gold and other loans	11,533.49	4,575.15
- Business loans	0.99	2.24
- Personal loans	0.62	4.36
- Hypothecation and hire purchase loans	93.70	90.86
- Others	5.32	2.49
Income from fee based activities*		
- Money transfer	19.21	21.26
- Others	0.87	3.41
	11,654.20	4,699.77

Schedule 14: Other income

Interest (gross)*	124.67	66.26
Foreign exchange gain (net)	0.02	(0.01)
Bad debts recovered	8.64	3.55
Others	27.73	12.44
	161.06	82.24

* Tax deducted at source Rs. 24.93 (Previous year Rs. 9.89)

Schedule 15: Personnel expenses

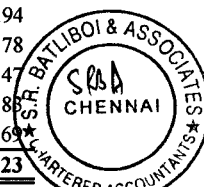
Salaries, wages and bonus	1,419.26	492.87
Contribution to provident and other funds	180.71	41.37
Staff welfare expenses	5.03	2.16
	1,605.00	536.40

Schedule 16: Operating and other expenses

Rent	328.40	133.27
Electricity	38.16	18.29
Insurance	23.75	4.64
Travel and conveyance	83.90	53.79
Communication expenses	44.23	14.74
Advertisement	1,038.51	482.81
Directors sitting fees	1.51	0.92
Repairs and maintenance		
- Vehicles	1.78	1.56
- Others	62.79	17.64
Legal and professional fees	95.19	24.42
Security charges	204.16	54.90
Rates and taxes	40.47	9.96
Printing and stationery	41.51	17.65
Loss on sale of assets	2.28	4.34
Bad debts	248.94	53.42
Provision for standard assets	158.47	-
Provision for loans and advances, net of bad debts written off	(24.66)	88.58
Miscellaneous expenses	49.32	19.82
	2,438.71	1,000.75

Schedule 17: Financial expenses

Interest		
- on Debentures	299.67	288.69
- on Deposits	1.37	3.84
- on Bank Borrowings	2,210.30	795.99
- on other borrowings	34.30	16.94
- on Subordinate Bonds	233.15	134.78
- on Commercial Papers	369.88	57.47
- Others	7.92	6.88
Bank and other charges	163.04	64.69
	3,319.63	1,369.23



Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

18.1 Statement of significant accounting policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified accounting standard by Companies Accounting Standards Rules, 2006, (as amended) 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 realization basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use.

d) Depreciation

Depreciation is provided using the straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956, which is management's estimate of the useful lives of the assets except as follows:

Nature of asset	Rate of depreciation followed
Computer equipment	33.33%

During the current year, the Company has changed its estimated useful life of computer equipments from 6 years to 3 years. This change in estimated useful life has resulted in provision of additional depreciation by Rs 57.09 million and the profit before tax of the Company is lower by the corresponding number.

Computer software cost capitalized is amortized over the estimated useful life of 6 years.

e) Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. 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 risks specific to the asset.



Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

- ii) After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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 are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

g) Investments

The Board of directors has 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 shall be valued at cost or market value whichever is lower. Unquoted equity shares in the nature of current investments shall be 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.

h) Revenues

Revenue is recognized 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 realization basis. Any such income recognised and remaining unrealized after the installments become overdue with respect to non performing assets is reversed.

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



Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

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 recognized over the tenure of agreements as per guideline on securitization of standard assets issued by the Reserve Bank of India, losses, if any are recognised upfront.

i) Employee benefits

- i. Retirement benefits in the form of Provident Fund are defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the fund maintained by the Central Government is due. There are no other obligations other than the contribution payable to the respective trusts.
- 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 profit and loss account and are not deferred.

j) 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

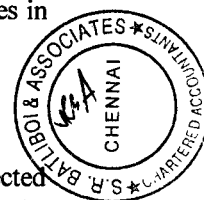
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(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 recognized as income or as expenses in the year in which they arise.

k) 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 Indian Income Tax Act. Deferred income taxes



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Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of 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 unrecognized deferred tax assets. It recognizes unrecognized 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.

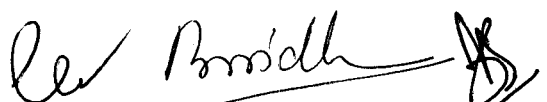


l) Earnings per share

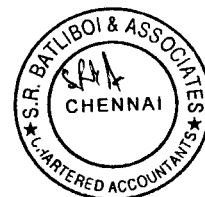
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity 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.

m) Provisions

- a) A provision is recognized 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.



Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

b) 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:

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% 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% 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.

n) **Segment reporting**

The Company primarily operates in the business of "Gold loan" and accordingly no segment reporting is applicable.

o) **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.

p) **Ancillary borrowing costs**

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

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Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

q) Share 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.

r) 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.

s) Surplus on auction of pledged gold

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.

t) 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 amortized over the vesting period of the option on a straight line basis.

18.2 Nature of operations

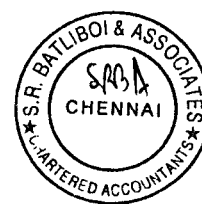
Manappuram General Finance and Leasing Limited ('MAGFIL' or 'the Company') was incorporated on July 15, 1992 in Thrissur, Kerala. The Company is a non banking financial company ('NBFC'), which provides a wide range of fund based and fee based services including gold loans, money exchange facilities etc. The Company currently operates through more than 1,900 branches spread across the country.

The Board of Directors of the Company at its meeting held on February 25, 2011, decided to change the Category A (Deposit Taking) registration of the Company with Reserve Bank of India (RBI) and made an application for the change. RBI approved the same and issued a new Certificate giving Category B (Non Deposit Taking) registration to the Company. As per the new registration, the Company is a Systemically Important Non-Deposit Taking NBFC.

18.3 Share Capital

Issue of equity shares to promoters on preferential basis

During the current period, the Company has issued 13,210,039 shares to its promoters on preferential basis at a price of Rs 75.70/- per share at a premium of Rs 73.70/- per share. The approval of the Board of Directors and shareholders has been taken and necessary regulatory requirements have been complied with by the Company.



Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

Bonus and share split

The shareholders of the Company have on April 22, 2010 through a resolution, approved the sub-division of one fully paid equity share of Rs 10/- each of the Company into five equity shares of Rs 2/- each fully paid pursuant to Section 94 of the Act. Further, the shareholders of the Company have through a resolution passed on April 22, 2010 approved the issuance of equity shares of Rs 2/-each, fully paid up, as bonus shares (after considering the stock split as above) in the ratio of 1:1 to the shareholders existing as on the record date. These changes have been given effect to in the current period.

Further, as per the requirements of paragraph 44 read with paragraph 24 of Accounting Standard 20 – ‘Earnings per share’ (AS-20), the number of equity shares outstanding as at March 31, 2010 has been adjusted for the amount of such bonus shares and sub-divided shares in the computation of the weighted average number of shares for the computation of EPS for the current year and previous year.

Issue of equity shares through private placement to Qualified Institutional Buyers (“QIBs”)

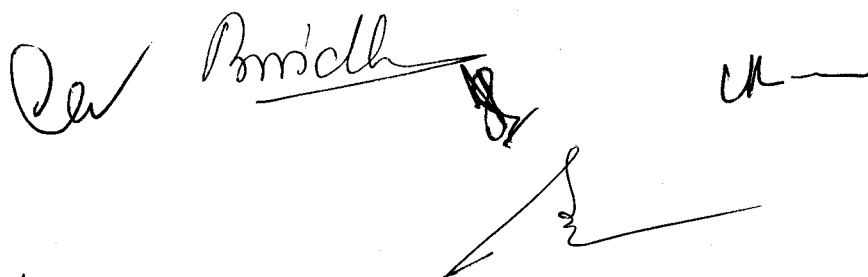
During the current year, the Company has issued 59,523,809 shares to certain QIBs by way of a private placement at a price of Rs 168/- per share at a premium of Rs 166/- per share. The issues of these shares are for the purposes of augmenting the funding needs of the Company and to meet capital adequacy norms. The Company raised a total amount of Rs 1,000 crores from these QIBs and incurred an amount of Rs 23 crores as share issues expenses which has been set off against the share premium account.

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 in accordance with the Company Performance appraisal plans.

Subsequent to the share split and bonus issue, the number of options has been adjusted to 8,295,000 options and the exercise price has been adjusted to Rs 33.12/- per share in accordance with the terms of the scheme.





Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

(All amounts are in millions of Indian Rupees unless otherwise stated)

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, 2011	As at March 31, 2010
Options outstanding, beginning of year	7,850,000	-
Options granted during the year	-	8,295,000
Options exercised during the year	3,755,120	-
Options lapsed during the year	-	445,000
Options outstanding, end of year	4,094,880	7,850,000
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	169,880	-
- Options not eligible for exercise at year end	3,925,000	7,850,000

Particulars	As at March 31, 2011	As at March 31, 2010
Weighted average remaining contract life of options	2 years 5 month	3 years 5 month

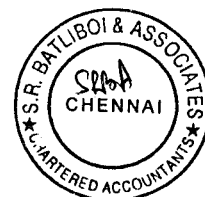
The options outstanding at March 31, 2011 had an exercise price of Rs. 33.12/-

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 Rs 10/- per share)	Rs 142.43	Rs 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 Rs 10/-)	Rs. 331.15 /-	Rs. 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.

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Manappuram General Finance & Leasing Limited

Financial statements for the year ended March 31, 2011

Schedule 18: Notes to accounts

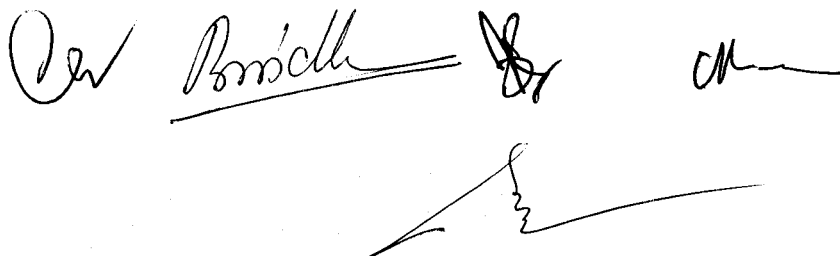
(All amounts are in millions of Indian Rupees unless otherwise stated)

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 recognized 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 (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2011			
- Amounts as reported	2,826.64	7.61	7.51
- Amounts as per pro-forma	2,774.52	7.47	7.37

Particulars	Profit after tax	Basic EPS (Rs.)	Diluted EPS (Rs.)
Year ended March 31, 2010			
- Amounts as reported	1,197.22	4.09	4.07
- Amounts as per pro-forma	1,143.19	3.91	3.88





Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

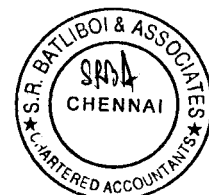
(All amounts are in millions of Indian rupees unless otherwise stated)

18.4 Related party transactions

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Debentures issued during the period	-	-	46.03	272.18	1.54	1.12	47.57	273.30
Mr. V.P.Nandakumar	-	-	46.03	272.18	-	-	46.03	272.18
Mrs. Jyothi Prasannan	-	-	-	-	0.11	0.28	0.11	0.28
Mrs. Shelly Ekalavyan	-	-	-	-	0.17	0.03	0.17	0.03
Mrs. Geeta Ravi	-	-	-	-	0.29	0.24	0.29	0.24
Mrs. Sathyalakshmy	-	-	-	-	0.97	0.58	0.97	0.58
Debentures redeemed during the period	-	-	60.10	255.09	1.94	0.44	62.04	255.53
Mr. V.P.Nandakumar	-	-	60.10	255.09	-	-	60.10	255.09
Mrs. Jyothi Prasannan	-	-	-	-	0.15	0.18	0.15	0.18
Mrs. Shelly Ekalavyan	-	-	-	-	0.18	0.03	0.18	0.03
Mrs. Geeta Ravi	-	-	-	-	0.40	0.07	0.40	0.07
Mrs. Sathyalakshmy	-	-	-	-	1.21	0.17	1.21	0.17
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	-	-	-	-
Subordinate Bond issued during the period	-	-	-	-	0.82	0.61	0.82	0.61
Mrs. Sushama Nandakumar	-	-	-	-	0.15	-	0.15	-
Mrs. Geeta Ravi	-	-	-	-	-	0.03	-	0.03
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	0.68	0.50	0.68	0.50
Mrs. Sathyalakshmy	-	-	-	-	-	0.08	-	0.08
Subordinate Bond redeemed during the period	-	-	-	45.00	0.63	0.09	0.63	45.09
Mr. V.P.Nandakumar	-	-	-	45.00	-	-	-	45.00
Mrs. Jyothi Prasannan	-	-	-	-	-	0.04	-	0.04
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	0.63	-	0.63	-
Mrs. Shelly Ekalavyan	-	-	-	-	-	0.02	-	0.02
Mrs. Geeta Ravi	-	-	-	-	-	0.03	-	0.03
Interest paid	-	0.30	3.06	7.01	0.34	0.28	3.40	7.60
Mr. V.P.Nandakumar	-	-	3.06	7.01	-	-	3.06	7.01
Manappuram Insurance Brokers Private Limited	-	0.09	-	-	-	-	-	0.09
Manappuram Chits (India) Limited	-	0.21	-	-	-	-	-	0.21
Mrs. Shelly Ekalavyan	-	-	-	-	-	0.01	-	0.01
Mrs. Jyothi Prasannan	-	-	-	-	0.08	0.06	0.08	0.06
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	0.04	0.06	0.04	0.06
Mrs. Sushama Nandakumar	-	-	-	-	0.14	0.15	0.14	0.15
Mrs. Sathyalakshmi	-	-	-	-	0.05	-	0.05	-
Mrs. Geetha Ravi	-	-	-	-	0.03	-	0.03	-
Salary to Sooraj Nandan	-	-	-	-	-	0.42	-	0.42
Inter Corporate Deposits accepted	-	5.15	-	-	-	-	-	5.15
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-
Manappuram Chits (India) Limited	-	5.15	-	-	-	-	-	5.15
Inter Corporate Deposits redeemed	-	10.60	-	-	-	-	-	10.60
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-
Manappuram Chits (India) Limited	-	10.60	-	-	-	-	-	10.60
Advances made	-	1.78	-	-	1.91	1.20	1.91	2.97
Mrs. Jyothi Prasannan	-	-	-	-	1.31	1.20	1.31	1.20
Sooraj Nandan	-	-	-	-	0.60	-	0.60	-
Manappuram Foundations	-	1.78	-	-	-	-	-	1.78

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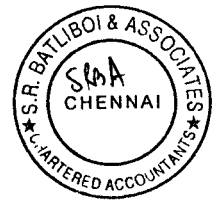


Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011
(All amounts are in millions of Indian rupees unless otherwise stated)

18.4 Related party transactions

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Loans taken	-	0.51	-	-	-	-	-	0.51
Manappuram Insurance Brokers Private Limited	-	0.51	-	-	-	-	-	0.51
Loans repaid	-	3.56	-	-	-	-	-	3.56
Manappuram Insurance Brokers Private Limited	-	3.56	-	-	-	-	-	3.56
Subscription to Equity Shares	-	-	-	-	1,000.00	-	1,000.00	-
Mrs. Sushama Nandakumar	-	-	-	-	1,000.00	-	1,000.00	-
Subscription to Share Warrant	-	-	-	230.76	-	-	-	230.76
Mr. V.P. Nandakumar	-	-	-	230.76	-	-	-	230.76
Conversion of Share Warrant	-	-	-	260.74	-	-	-	260.74
Mr. V.P. Nandakumar	-	-	-	260.74	-	-	-	260.74
Donation made	6.20	-	-	-	-	-	6.20	-
Manappuram Foundations	6.20	-	-	-	-	-	6.20	-
Rent Paid	-	-	0.51	0.51	-	-	0.51	0.51
Mr. V.P.Nandakumar	-	-	0.51	0.51	-	-	0.51	0.51
Rent Received	0.24	0.20	-	-	-	-	0.24	0.20
Manappuram Jewellers Private Limited	0.04	0.02	-	-	-	-	0.04	0.02
Manappuram Asset Finance Limited	0.02	-	-	-	-	-	0.02	-
Manappuram Insurance Brokers Private Limited	0.18	0.18	-	-	-	-	0.18	0.18
Sale of gold	972.70	140.24	-	-	-	-	972.70	140.24
Manappuram Jewellers Private Limited	972.70	140.24	-	-	-	-	972.70	140.24
Purchase of assets	-	-	-	25.41	-	16.96	-	42.37
Mr. V.P.Nandakumar	-	-	-	25.41	-	-	-	25.41
Mrs. Sushama Nandakumar	-	-	-	-	-	6.86	-	6.86
Mrs. Sumitha Nandakumar	-	-	-	-	-	10.10	-	10.10
Balance outstanding as at the period end:								
Amounts payable (net) to related parties	-	-	0.26	17.39	2.83	3.37	3.08	20.76
Mr. V.P.Nandakumar	-	-	0.26	17.39	-	-	0.26	17.39
Mrs. Rajalakshmi Raveendra Babu	-	-	-	-	0.57	0.56	0.57	0.56
Mrs. Shelly Ekalavyan	-	-	-	-	-	0.02	-	0.02
Mrs. Geeta Ravi	-	-	-	-	0.09	0.24	0.09	0.24
Mrs. Jyothi Prasannan	-	-	-	-	0.76	0.88	0.76	0.88
Mrs. Sushama Nandakumar	-	-	-	-	1.04	1.03	1.04	1.03
Mrs. Sathyalekshmy	-	-	-	-	0.36	0.65	0.36	0.65

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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

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

18.4 Related party transactions

Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Amounts receivables (net) from related parties	0.04	1.79	-	-	3.11	1.20	3.15	2.99
Manappuram Jewellers Private Limited	0.01	-	-	-	-	-	0.01	-
Manappuram Asset Finance Limited	-	-	-	-	-	-	-	-
Manappuram Insurance Brokers Private Limited	0.03	0.02	-	-	-	-	0.03	0.02
Mr. Sooraj Nandan	-	-	-	-	0.60	-	0.60	-
Mrs. Jyothi Prasannan	-	-	-	-	2.51	1.20	2.51	1.20
Manappuram Foundations	-	1.78	-	-	-	-	-	1.78

1. Names of related parties

Enterprises owned or significantly influenced by key management personnel or their relatives

Manappuram Benefit Fund Limited
 Manappuram Chits (India) Limited
 Manappuram Asset Finance Limited
 Manappuram Finance (sole proprietorship)
 Manappuram Insurance Brokers Private Limited
 Manappuram Jewellers Private Limited
 Manappuram Foundations (charitable trust)

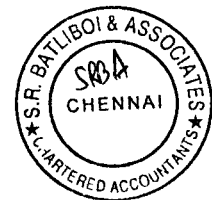
Key Management Personnel

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

2. Remuneration paid to directors is disclosed elsewhere in the financial statements (Refer note 18.15(c))



Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.5 Employment benefits disclosures:

The amounts of Provident fund contribution charged to the Profit and loss account during the year aggregates to Rs. 96.51 (Previous year - Rs. 26.25).

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 an insurance company in the form of a qualifying insurance policy.

The following tables summarise 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.

Profit and Loss account

Net employee benefit expense (recognised in Personnel expenses)

	2011	2010
Current service cost	32.48	0.54
Interest cost on benefit obligation	0.31	0.12
Expected return on plan assets	(1.86)	(0.29)
Net actuarial loss recognised in the year	15.16	1.73
Net (benefit) / expense	46.09	2.10
Actual return on plan assets	2.01	0.29

Balance sheet

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

	2011	2010
Defined benefit obligation	(51.91)	(3.88)
Fair value of plan assets	37.09	4.06
Asset/(liability) recognised in the balance sheet	(14.82)	0.18
Experience adjustments on plan liabilities (Gain) / Loss	14.90	-
Experience adjustments on plan assets Gain / (Loss)	0.15	-

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

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

	2011	2010
Opening defined benefit obligation	3.88	1.53
Interest cost	0.31	0.12
Current service cost	32.48	0.54
Benefits paid	(0.07)	(0.04)
Actuarial loss / (gain) on obligation	15.31	1.73
Closing defined benefit obligation	51.91	3.88

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

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

	2011	2010
Opening fair value of plan assets	4.06	2.41
Expected return	1.86	0.29
Contributions by employer	31.09	1.40
Benefits paid	(0.07)	(0.04)
Actuarial gains / (losses)	0.15	-
Closing fair value of plan assets	37.09	4.06

The Company expects to contribute Rs 35 to gratuity in 2010-11.

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

	2011	2010
	%	%
Discount rate	8.3%	8.0%
Expected rate of return on assets	8.5%	5.0%
Employee turnover	30.0%	30.0%

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.

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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.6 Earnings per share

Particulars	2011	2010
Net profit as per profit and loss account (used for calculation of EPS)	2,826.64	1,197.22
Weighted average number of equity shares in calculating basic EPS (Nos.)	371,380,825	292,648,250
Weighted average number of equity shares in calculating Dilutive EPS (Nos.)		
Weighted average number of equity shares in calculating basic EPS (Nos.)	371,380,825	292,648,250
Add: Number of dilutive shares under Employees Stock Options (Nos.)	5,111,449	1,830,470
Weighted average number of equity shares in calculating diluted EPS (Nos.)	376,492,274	294,478,720

18.7 Lease disclosure

Operating leases:

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

Finance leases:

	2011	2010
Total minimum lease payments at the year end	12.57	2.83
Less : amount representing finance charges	1.63	0.28
Present value of minimum lease payments	<u>10.94</u>	<u>2.55</u>
Lease payments for the year	2.01	1.78

Minimum Lease Payments :

Not later than one year [Present value Rs. 3.78 as on March 31, 2011 (Rs. 1.57 as on March 31, 2010)]	4.55	1.79
Later than one year but not later than five years [Present value Rs. 7.16 as on March 31, 2011 (Rs.0.96 as on March 31, 2010)]	8.02	1.04
Later than five years [Present value Rs. Nil as on March 31, 2011 (Rs. Nil as on March 31, 2010)]	-	-

18.8 Commitments and contingent liabilities

(i) Commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances is Rs. 89.54 (Previous year - Rs.1.53).

(ii) Contingent liabilities

	2011	2010
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.	1,702.76	707.17
Total	<u><u>1,702.76</u></u>	<u><u>707.17</u></u>

(iii) 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 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.

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.9 (a) Loan portfolio and Provision for Non Performing Assets for major categories of loan portfolio

Asset Classification (as per RBI prudential norms)

	Gross loan outstanding		Provision for Assets		Net loan outstanding	
	2011	2010	2011	2010	2011	2010
Gold loan						
- Standard assets	63,495.46	18,410.61	158.47 *	-	63,336.99	18,410.61
- Sub-standard assets	76.27	48.25	7.63	4.83	68.64	43.42
- Doubtful assets	133.68	53.40	123.36	51.20	10.32	2.20
- Loss assets	-	-	-	-	-	-
Hypothecation loan						
- Standard assets	18.79	91.55	-	-	18.79	91.55
- Sub-standard assets	26.69	124.52	26.69	43.69	-	80.83
- Doubtful assets	-	70.71	-	70.71	-	-
- Loss assets	-	-	-	-	-	-
	63,750.89	18,799.04	316.15	170.43	63,434.74	18,628.61

* Disclosed separately under Provisions in Schedule 12 and not netted off against the loan.

18.9 (b) Provision for diminution in value of investments

Particulars	2011	2010
Provision for diminution in value of investments	-	-

18.10 Details of investments purchased and sold during the year

For the year ended March 31, 2011

Particulars	Purchased			Sold		
	Units	Rate (Rs)	Total	Units	Rate (Rs)	Total
ICICI prudential Flexible Income Plan Premium - Growth	1.42	140.85	200.00	1.13	177.20	200.24
Kotak Floater short term Growth fund	19.23	15.60	300.00	19.23	15.61	300.22
Canara Robeco liquid Super Institutional Growth Fund	4.31	11.60	50.00	3.47	14.43	50.06
IDFC Cash fund - Super Institutional - Daily Dividend	5.00	10.00	50.00	5.00	10.01	50.05
SBI Magnum Insta cash Fund - cash option	36.80	21.20	780.00	36.80	21.21	780.67
SBI Magnum Insta cash Fund - cash option	11.79	21.20	250.00	11.79	21.22	250.19
Religare Ultra short term fund - Institutional Growth	19.08	13.10	250.00	19.03	13.16	250.40
Religare Liquid Fund - Super Institutional Growth Fund	76.31	13.10	1,000.00	76.31	13.11	1,000.19
Tata Liquid Super high investment fund	0.03	1,666.67	50.00	0.03	1,668.67	50.06
IDBI Liquid fund - Growth	39.07	10.24	400.00	39.07	10.25	400.56
PNB liquid fund - Growth	5.00	10.00	50.00	5.00	10.05	50.23
UTI Mutual Fund	199.00	10.00	1,990.00	199.00	10.00	1,990.76
	417.04		5,370.00	415.86		5,373.63

For the year ended March 31, 2010

Particulars	Purchased			Sold		
	Units	Rate (Rs)	Total	Units	Rate (Rs)	Total
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	32.99	10.00	330.04	32.99	10.00	330.04
LICMF - Liquid Fund Dividend Plan	89.26	10.98	980.09	89.26	10.98	980.09
	122.25		1,310.13	122.25		1,310.13

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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.11 Assignment of receivables

The Company has assigned a portion of its gold loans / hypothecations loans to banks and financial institutions during the year. The aggregate amount assigned as at March 31, 2011 is Rs. 11,182.83 (Previous year - Rs. 7,077.02). These amounts have been reduced from the gross gold loan and hypothecation loan balances. A bank / institution wise breakup of the same is as under:

Bank / Financial institution	2011	2010
Dhanalakshmi Bank	1,849.41	-
Kotak Mahindra Bank	1,971.79	630.31
ING Vysya Bank	1,628.67	882.27
Yes Bank	1,684.88	-
ICICI Bank	1,564.86	2,092.66
UTI Bank	1,118.19	1,499.98
Development Credit Bank	199.72	-
Federal Bank	166.55	-
IndusInd Bank	450.40	-
IDBI Bank	548.36	1,971.80
	11,182.83	7,077.02

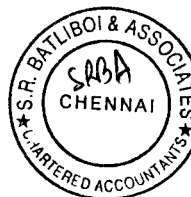
18.12 Deposits with banks include cash collateral deposits aggregating Rs 2,119.41 (Previous year: Rs 1,182.57) towards assignments and other approved facilities. A bank / institution wise breakup of the same is as under:

Bank / Financial institution	2011	2010
ICICI Bank	182.73	133.81
Kotak Mahindra Bank	35.54	30.18
HDFC Bank	153.57	80.00
Development Credit Bank	25.00	-
ING Vysya Bank	54.79	34.43
Federal Bank	50.00	54.24
South Indian Bank	127.89	136.85
IDBI Bank	155.00	120.00
YES Bank	209.24	50.00
Karur Vyasya Bank	25.00	12.50
Indian Overseas Bank	275.32	50.00
Bank of Rajasthan	10.00	10.00
Development Bank of Singapore	37.50	-
Dhanalakshmi Bank	365.33	-
United Bank of India	100.00	-
DENA Bank	37.50	-
Andhra Bank	125.00	-
Punjab National Bank	-	50.00
UCO Bank	100.00	-
Jammu & Kashmir Bank	50.00	-
Catholic Syrian Bank	-	20.56
State Bank of India	-	400.00
	2,119.41	1,182.57

18.13 Charges created on assets of the Company for Secured Loans

A. From banks

Cash credit, overdrafts and working capital loan accounts have been availed from various banks and are secured by Gold Loan receivables.



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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

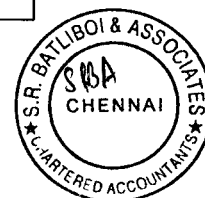
B. Secured Non Convertible Debentures

Details of security and series wise outstanding of secured non convertible debentures are as under:

Date of Allotment	Number of Debentures	Amount	Tenure	Security details	Redemption details
16-Sep-06	4,812	4.81	60	Note 1	At par at the end of 60 months
15-Nov-06	5,781	5.78	60	Note 1	At par at the end of 60 months
24-Mar-07	12	0.01	48	Note 1	At par at the end of 48 months
24-Mar-07	410	0.41	60	Note 1	At par at the end of 60 months
13-Oct-07	50	0.05	48	Note 1	At par at the end of 48 months
4-Dec-07	328	0.33	60	Note 1	At par at the end of 60 months
31-Jan-08	163	0.16	48	Note 1	At par at the end of 48 months
31-Jan-08	1,439	1.44	60	Note 1	At par at the end of 60 months
27-Mar-08	704	0.70	36	Note 1	At par at the end of 36 months
27-Mar-08	53	0.05	48	Note 1	At par at the end of 48 months
27-Mar-08	732	0.73	60	Note 1	At par at the end of 60 months
31-Mar-08	35	0.04	36	Note 1	At par at the end of 36 months
31-Mar-08	432	0.43	60	Note 1	At par at the end of 60 months
29-Dec-08	3,232	3.23	36	Note 1	At par at the end of 36 months
29-Dec-08	654	0.65	60	Note 1	At par at the end of 60 months
29-Dec-08	974	0.97	36	Note 1	At par at the end of 36 months
29-Dec-08	200	0.20	48	Note 1	At par at the end of 48 months
29-Dec-08	108	0.11	36	Note 1	At par at the end of 36 months
16-Mar-09	20	0.02	24	Note 1	At par at the end of 24 months
16-Mar-09	666	0.67	36	Note 1	At par at the end of 36 months
16-Mar-09	150	0.15	60	Note 1	At par at the end of 60 months
16-Mar-09	82	0.08	24	Note 1	At par at the end of 24 months
16-Mar-09	697	0.70	36	Note 1	At par at the end of 36 months
30-Apr-09	285	0.29	24	Note 1	At par at the end of 24 months
30-Apr-09	1,013	1.01	36	Note 1	At par at the end of 36 months
30-Apr-09	15	0.02	24	Note 1	At par at the end of 24 months
30-Apr-09	517	0.52	36	Note 1	At par at the end of 36 months
9-Jun-09	10	0.01	48	Note 1	At par at the end of 48 months
9-Jun-09	252	0.25	60	Note 1	At par at the end of 60 months
9-Jun-09	574	0.57	24	Note 1	At par at the end of 24 months
9-Jun-09	1,664	1.66	36	Note 1	At par at the end of 36 months
22-Feb-10	6,231	6.23	12	Note 1	At par at the end of 12 months
9-Mar-10	11,062	11.06	12	Note 1	At par at the end of 12 months
30-Mar-10	62,119	62.12	12	Note 1	At par at the end of 12 months
22-Apr-10	61,460	61.46	12	Note 1	At par at the end of 12 months

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

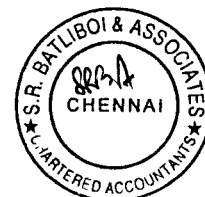
Schedule 18: Notes to accounts (continued..)

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

B. Secured Non Convertible Debentures

Details of security and series wise outstanding of secured non convertible debentures are as under:

Date of Allotment	Number of Debentures	Amount	Tenure	Security details	Redemption details
22-Apr-10	62,359	62.36	12	Note 1	At par at the end of 12 months
22-Apr-10	57,124	57.12	12	Note 1	At par at the end of 12 months
20-Jul-10	66,273	66.27	12	Note 1	At par at the end of 12 months
20-Jul-10'	45,428	45.43	12	Note 1	At par at the end of 12 months
24-Jul-10	39,627	39.63	12	Note 1	At par at the end of 12 months
15-Oct-10	50,164	50.16	12	Note 1	At par at the end of 12 months
15-Oct-10	60,986	60.99	12	Note 1	At par at the end of 12 months
15-Oct-10	92,655	92.66	12	Note 1	At par at the end of 12 months
15-Oct-10	107,254	107.25	12	Note 1	At par at the end of 12 months
29-Nov-10	1,312	1.31	36	Note 1	At par at the end of 36 months
29-Nov-10	79,561	79.56	12	Note 1	At par at the end of 12 months
29-Nov-10	75,076	75.08	12	Note 1	At par at the end of 12 months
29-Nov-10	55,328	55.33	12	Note 1	At par at the end of 12 months
15-Dec-10	98,858	98.86	12	Note 1	At par at the end of 12 months
25-Feb-11	3,159	3.16	12	Note 1	At par at the end of 12 months
25-Feb-11	149,979	149.98	12	Note 1	At par at the end of 12 months
31-Mar-11	82,599	82.60	12	Note 1	At par at the end of 12 months
31-Mar-11	30,169	30.17	12	Note 1	At par at the end of 12 months
15-Feb-10	250	250.00	18	Note 1	At par at the end of 18 months
18-Aug-10	250	250.00	18	Note 1	At par at the end of 18 months
3-Sep-10	250	250.00	18	Note 1	At par at the end of 18 months, with a put / call option on February 3, 2011, May 3, 2011, August 3, 2011 and November 3, 2011.
3-Sep-10	250	250.00	18	Note 1	At par at the end of 18 months, with a put / call option on February 3, 2011, May 3, 2011, August 3, 2011 and November 3, 2011.
3-Sep-10	500	500.00	18	Note 1	At par at the end of 18 months, with a put / call option on February 3, 2011, May 3, 2011, August 3, 2011 and November 3, 2011.
31-Mar-11	1,000	1,000.00	15	Note 2	At par at the end of 15 months, with a put / call option on June 29, 2011, September 28, 2011, December 28, 2011 and March 28, 2012.
28-Mar-11	100	100.00	24	Note 3	At par at the end of 24 months
28-Mar-11	100	100.00	36	Note 3	At par at the end of 36 months
28-Mar-11	150	150.00	36	Note 3	At par at the end of 36 months
28-Mar-11	150	150.00	48	Note 3	At par at the end of 48 months



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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

B. Secured Non Convertible Debentures

Details of security and series wise outstanding of secured non convertible debentures are as under:

Date of Allotment	Number of Debentures	Amount	Tenure	Security details	Redemption details
28-Mar-11	200	200.00	60	Note 3	At par at the end of 60 months
28-Mar-11	9	9.00	36	Note 3	At par at the end of 36 months
28-Mar-11	9	9.00	48	Note 3	At par at the end of 48 months
28-Mar-11	12	12.00	60	Note 3	At par at the end of 60 months
28-Mar-11	9	9.00	36	Note 3	At par at the end of 36 months
28-Mar-11	9	9.00	48	Note 3	At par at the end of 48 months
28-Mar-11	12	12.00	60	Note 3	At par at the end of 60 months
28-Mar-11	30	30.00	36	Note 3	At par at the end of 36 months
28-Mar-11	30	30.00	48	Note 3	At par at the end of 48 months
28-Mar-11	40	40.00	60	Note 3	At par at the end of 60 months
31-Mar-11	6	6.00	36	Note 3	At par at the end of 36 months
31-Mar-11	6	6.00	48	Note 3	At par at the end of 48 months
31-Mar-11	8	8.00	60	Note 3	At par at the end of 60 months
31-Mar-11	6	6.00	36	Note 3	At par at the end of 36 months
31-Mar-11	6	6.00	48	Note 3	At par at the end of 48 months
31-Mar-11	8	8.00	60	Note 3	At par at the end of 60 months
31-Mar-11	75	75.00	36	Note 3	At par at the end of 36 months
31-Mar-11	75	75.00	48	Note 3	At par at the end of 48 months
31-Mar-11	100	100.00	60	Note 3	At par at the end of 60 months
31-Mar-11	11	11.40	36	Note 3	At par at the end of 36 months
31-Mar-11	11	11.40	48	Note 3	At par at the end of 48 months
31-Mar-11	15	15.20	60	Note 3	At par at the end of 60 months
	1,328,535	5,012.85			

Note 1:

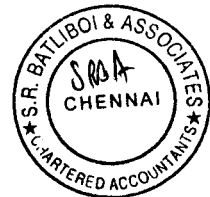
Secured by a floating charge on the gold loan receivables and other unencumbered assets both present and future.

Note 2:

Secured by first pari passu charge on the receivables of the Company with a minimum asset cover ratio of 1.10 times.

Note 3:

The Company is in the process of creating a charge in respect of these debentures aggregating Rs 1,188.



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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.14 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, 2011	March 31, 2010
CRAR (%)	29.13	29.34
CRAR - Tier I Capital (%)	26.36	26.04
CRAR - Tier II Capital (%)	2.77	3.30

b) Exposure to real estate sector

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

c) Asset liability management

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

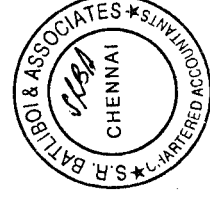
Liabilities	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 month upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Borrowings from banks	6,050.06	2,050.07	1,899.27	10,642.26	17,404.94	-	-	-	38,046.60
Market 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	17,419.76	-	-	-	63,670.61
Investments	-	-	-	3.15	400.00	-	-	0.05	403.20

Represents secured loans from others and vehicle loans under Schedule 3 and commercial papers under Schedule 4

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, 2011.

As this is the first year of presentation of the above information, no comparatives have been disclosed.



Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.15 Supplementary profit and loss data

a. Legal and professional fees (Schedule 17) includes remuneration to auditors as follows:

Remuneration as auditors	<u>2011</u>	<u>2010</u>
Statutory audit	2.50	2.00
Other services	1.50	0.90
Certification	0.50	0.20
Out of pocket expenses	0.20	0.13
	<u>4.70</u>	<u>3.23</u>

Note:

Excludes applicable service taxes

Excludes Rs 3.5 (previous year Rs 1) included under Share issue expenses in Schedule 2 in connection with Qualified Institutional Placement.

b. Expenditure in foreign currency

	<u>2011</u>	<u>2010</u>
Travel	2.52	1.12
Consultancy charges	7.96	-
	<u>10.48</u>	<u>1.12</u>

c. Managerial remuneration

	<u>2011</u>	<u>2010</u>
Salary to whole time directors	28.80	14.70
Commission to whole time directors	18.60	9.60
Commission to Non - whole time directors	2.80	2.23
Contribution to provident fund/superannuation for whole time directors	3.46	1.76
	<u>53.66</u>	<u>28.29</u>

Note:

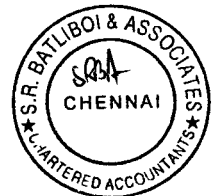
Provisions for / contribution to employee retirement/post retirement and other employee benefits which are based on actuarial valuations done on an overall Company basis are excluded above.

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Manappuram General Finance & Leasing Limited

Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

	<u>2011</u>	<u>2010</u>
Profit before tax (as per Profit and Loss Account)	4,238.96	1,818.26
<i>Add:</i>		
Directors' remuneration	53.66	28.29
Depreciation as per Profit and Loss account	212.96	57.37
Provision for doubtful debts and advances	133.81	88.58
Loss on disposal of investments	-	0.43
Loss on sale of fixed assets (net) as per Profit and Loss account	2.28	4.34
<i>Less:</i>		
Depreciation (to the extent specified in section 350 of the Companies Act, 1956)	(212.96)	(57.37)
(Loss)/Profit on sale of fixed assets as per Section 349 of the Companies Act, 1956	(2.28)	(4.34)
Net profit as per Section 349 of the Companies Act, 1956	4,426.43	1,935.56

Maximum amount of Commission and Salary payable to Managing and Wholtime directors at 10% of the net profits as calculated above	442.64	193.56
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Maximum amount of Commission payable to other directors at 1% of the net profits as calculated above	44.26	19.36
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18.16 Remittance of dividend in foreign currency

	<u>2011</u>	<u>2010</u>
Final dividend		
Period to which it relates	-	2008-09
Number of non-resident shareholders	-	4
Number of equity shares held on which dividend was due	-	12,546,630
Amount remitted	-	14.68

18.17 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 Rs 24.87 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.

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Manappuram General Finance & Leasing Limited
Financial Statements for the year ended March 31, 2011

Schedule 18: Notes to accounts (continued..)

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

18.18 Comparatives

Previous year's figures have been reclassified to conform to the presentation of the current year.

As per our report of even date

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

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

For and on behalf of the Board of Directors

V. F. Nandakumar
V. F. Nandakumar
Executive Chairman

I. Unnikrishnan
I. Unnikrishnan
Managing Director

B. N. Kaveendra Babu
B. N. Kaveendra Babu
Joint Managing Director

Place : Chennai
Date: April 28, 2011

M. Anandan
M. Anandan
Director

A. L. Bindu *C. Radhakrishnan*
A. L. Bindu **C. Radhakrishnan**
Chief Financial Officer Company Secretary

