

PRESS RELEASE DATED 30 OCTOBER, 2014

MANAPPURAM'S Q2 SHOWS TURNAROUND, MANAGEMENT RESTRUCTURED

Manappuram Finance Ltd has declared its second quarter results. Net profit for the quarter ended September 30, 2014 is reported at Rs. 76.43 crores, an increase of 73.8% compared to Rs. 43.98 crores reported in the preceding quarter ended June 30. In the corresponding Q2 of FY-2013-14, net profit stood at Rs. 69.71 crores.

The Board of Directors, which met at Valapad (Thrissur) today to consider the results, also approved payment of interim dividend of Rs.0.45 per share of face value of Rs 2/-

Operating income for the quarter increased to Rs. 502.84 crores as against Rs. 456.32 crores reported in the first quarter. The same was reported at Rs. 544.11 crores in Q2 of the previous fiscal year. Profit before tax (PBT) for the quarter stood at Rs. 116.15 crores, up by 74% in comparison to Rs. 66.77 crores achieved in the first quarter of the year. PBT was at Rs. 105.09 crores in Q2 of FY-2013-14.

The company recorded a 4% increase in its gold loan Assets under Management (AUM) to Rs.8518.03 crores as against Rs. 8197.50 crores reported in Q1 of the year. Aggregate gold loans disbursed during the quarter amounted to Rs.5835 crores.

The company added 2.43 lakh new customers during the quarter taking the number of live customers to 16.06 lakhs. Tier I capital of the company has improved to 26.83 % as against 26.63% reported at the end of the first quarter. Book value per share stands at Rs 30.53. The company has a network of 3293 branches across 27 states and UTs.

Management team restructured

As part of a policy decision to widen its portfolio, the company has decided to enter into housing loans, vehicle finance, and microfinance. The objective is to reduce concentration risk.

In line with the above, the company has restructured its top management with new appointments in the grade of Executive Vice President (EVP). Mr. Alope Ghosal has been appointed as CEO - Housing Finance. He was earlier with Muthoot Housing Finance Co. Ltd., IDBI Home Finance Ltd. and LIC Housing Finance. Mr. K. Senthil Kumar has joined as National Head - Commercial Vehicle Finance. His has earlier worked for Fullerton India Credit Company Ltd., Indiabulls Financial Services Ltd. and HDFC Bank Ltd. Both the above positions are based at the company's Mumbai corporate office.

Mr. R. Raghavender Anand has been inducted as National Head- Micro Finance in the Grade of Sr. Vice President. He was earlier Managing Director of SMILE Microfinance Ltd. He operates from the company's Regional Office in Chennai. It may be recalled that the exercise of restructuring the top management of the company had commenced in 2012 with the appointments of Mr. T.K. Somasajeevan as EVP (HR), Mr. Kapil Krishan as Chief Financial Officer (CFO), and Mr. Mohan Vizhakat as Chief Technological Officer (CTO).

Mr. I. Unnikrishnan has resigned from the position of Executive Director and Deputy CEO in order to pursue his entrepreneurial ambitions. The Board has accepted his resignation and he will be relieved from office on November 30, 2014. Mr. Unnikrishnan has been an Executive Director of the company for nearly 8 years and made significant contributions to its growth. He will continue on the company's Board of Directors as a Non-Executive Director. Mr. Kapil Krishan, CFO, will now hold charge of investor relations and treasury management.

Speaking about the restructuring, Mr. V.P. Nandakumar, MD & CEO, said, "With this high calibre team of professionals in place, Manappuram is now well positioned to make the most out of the recovering market for gold loans and drive growth in the new thrust areas of housing and vehicle finance, microfinance, and loans against property."

Proposed acquisition of microfinance company

Manappuram Finance Limited has signed a non-binding Term Sheet to acquire a majority equity shareholding in Asirvad Microfinance Private Limited through a combination of secondary purchase of equity shares and primary investment by way of subscription to equity shares of the company. The closure of the transaction is contingent, among other factors, upon satisfactory completion of due diligence and receipt of statutory and regulatory approvals including from the Reserve Bank of India. Head quartered in Chennai, Asirvad Microfinance is an RBI registered NBFC-MFI promoted by Mr. S V Raja Vaidyanathan. It operates in Tamil Nadu, Kerala, Odisha and Gujarat.

Results at a glance

Rs. In Crores

Particulars	Q2 2014-15	Q1 2014-15	Q-Q Growth %	Q2 2013-14	Y-Y Growth %
Income from operations	502.84	456.32	10.2%	544.10	-7.6%

Profits before tax	116.15	66.77	74.0%	105.09	10.5%
Profit after tax	76.43	43.98	73.8%	69.71	9.6%
Total AUM	8,530.09	8,206.05	3.9%	9,201.70	-7.3%
Gold Loans Disbursed	5,835.30	5,580.00	4.6%	5,033.30	15.9%
Net Worth	2,567.90	2,535.76	1.3%	2,520.85	1.9%
Number of Branches	3,293	3,293	0.0%	3,293	0.0%

About Manappuram Finance Ltd.

Manappuram Finance Ltd. is one of India's leading gold loans NBFCs engaged in providing finance against used household gold ornaments. Incorporated in 1992, the company has been promoted by Mr. V.P. Nandakumar (current MD & CEO) whose family has been involved in gold loans since 1949. It is headquartered at Valapad in the Thrissur District of Kerala. The company went public in August 1995 and its shares are listed on the stock exchanges of Mumbai, Chennai, and Kochi.

As of September 30, 2014, Manappuram Finance had 3,293 branches across 23 states and 4 UTs with Assets under management (AUM) of Rs. 85.30 billion. The company's net worth stood at Rs. 25.68 billion.

For More Information, please contact:

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