

PRESS RELEASE DATED 10 November, 2016

MANAPPURAM IMPRESSES AGAIN, NET PROFIT UP BY 205%

Thrissur (Kerala): Manappuram Finance Ltd. has declared its second quarter results.

Consolidated Net Profit for the quarter ended September 30, 2016 stood at Rs. 192.39 crore, a sharp increase of 205.2 percent compared to Rs.63.02 crore recorded in the second quarter of the previous fiscal year. Net profit grew by 20 percent over the preceding June quarter reported at Rs. 160.34 crore. Incidentally, the company's half yearly net profit stands at Rs.352.73 crore which compares favourably with the full year's net profit of Rs. 353.36 crore for FY 2015-16.

Total consolidated operating income during the quarter registered an increase of 52.4 percent to Rs. 842.25 crore against Rs. 552.52 crore reported in the year ago quarter.

The Board of Directors, which met at Valapad (Thrissur) today to consider the results, approved payment of interim dividend of Rs.0.50 per share of face value of Rs. 2/-.

The company's consolidated Assets under Management (AUM) stood at Rs. 14,490 crore, a growth of 41.8 percent compared to Rs.10,220 crore reported a year ago. Consolidated AUM was reported at Rs.13,014 crore for the preceding June quarter.

The company also registered a healthy 30 percent growth in its gold loan AUM to Rs. 12,382.7 crore against Rs.9,523.90 crore reported for the comparable quarter last year. Aggregate gold loans disbursed during the quarter amounted to Rs.14,901 crore. During the quarter, the company's gold loans business added 3.98 lakh new customers taking the number of live gold loan customers to 21.83 lacs as on September 30, 2016.

Besides gold loans, the company's new businesses continued to gather momentum. The microfinance subsidiary, Asirvad Microfinance, ended the quarter with an AUM of Rs 1,570.48 crore, a substantial increase of 191.4 percent over Rs. 539 crore reported in the year ago quarter. The performance represents an increase of 27 percent over Rs.1,236.80 crore reported in the preceding June quarter.

There was also good pickup in growth in other new business segments too. The Home Loans subsidiary, operating from 30 branches, recorded an AUM of Rs. 213.35 crore as against Rs. 170.48 crore reported in the preceding June quarter. Commercial Vehicle loans, with a presence in 43 locations, reported an AUM of Rs. 212.59 crore as compared to Rs.168.4 crore reported in the previous quarter. According to the company, these new businesses have stabilised and are poised to scale up significantly in the coming quarters. Further, the contribution of new businesses to the consolidated AUM of the company has increased to 15 percent compared to 11 percent in the previous quarter.

Sharing the results with the media, Mr. V.P. Nandakumar, MD & CEO, said, “Having maintained the growth momentum in all our business segments, we are quite hopeful of continuing the trend and ending the year on a positive note.”

The company’s long term credit rating was upgraded by CRISIL to ‘AA-/Stable’ (from ‘A+/Stable’) in July 2016. With improved credit rating, average borrowing costs continued to decline, falling by a further 25 bps during the quarter to 10.10 percent. Borrowing cost has fallen by 103 bps over the last one year and 229 bps over the last 2 years.

Provisions and write offs during the quarter for the standalone entity amounted to Rs. 13.39 crore. The company has moved to recognition of NPAs at 90 days from 120 days even though the RBI requirement will apply only from FY2017-18. Notwithstanding the shift to 90 days norm, gross NPAs have been held down to 0.91% percent. Further, provision on standard assets has been made at 0.40 percent instead of 0.35 percent, in advance of the RBI requirement making it mandatory from FY2017-18.

The company’s consolidated net worth stood at Rs 3,060 crore as of September 30, 2016. The book value per share stood at Rs 36.36. The capital adequacy ratio as at end of September 30, 2016 was 21.79 percent. The total borrowings of the company stood at Rs 12,226 crore on this date while the total number of live customers is at 2.18 Millions.

Results at a glance

Consolidated	Rs. in Crore		% growth	Q1- FY 2016-17	% growth
	Q2- FY 2016-17	Q2- FY 2015-16			
Income from operations	842.25	552.52	52.4%	746.13	13%
Profit before tax	295.09	100.09	194.8%	250.45	18%
Profit after tax	192.39	63.02	205.2%	160.34	20%
AUM	14,490	10,220	41.8%	13014	11%
Aggregate Loans Disbursed	15,676	8,257	89.9%	13201	19%
Net Worth	3,060.21	2,664	14.9%	2918	5%
Return on Assets	5.07%	2.12%		4.7%	
Return on Equity	23.49%	9.46%		21.98%	
Share Capital and Reserves	3,060.21	2,664		2918	
No. of branches	3,880	3,560		3747	

Stand alone	Rs. in Crore				
	Q2- FY 2016- 17	Q2- FY 2015- 16	% growth	Q1- FY 2016- 17	% growth
Particulars					
AUM	12706.4	9,636	31.9%	11657	9%
Loans Disbursed	14,901	7,981	86.7%	13201	12.9%
Capital Adequacy Ratio	21.79%	25.29%		22.30%	
Net NPA (%)	.91%	0.85%		0.62%	
Number of Branches (Gold Loans)	3293	3293		3293	

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 BSE and NSE stock exchanges.

As of September 30, 2016, Manappuram Finance Ltd. had 3880 branches across 23 states and 4 UTs with Assets under management (AUM) of Rs.144.90 billion. The company's net worth stood at Rs. 30.60 billion.