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Manappuram Finance to spend Rs 100 cr on ad campaign

Our Bureau

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Manappuram General Finance and Leading Ltd (MAGFIL), the only listed gold loan company in India, is adding glamour to its advertisement campaign this year by signing endorsement deals with five film personalities in different States.

The company, which manages 24 tonnes of mortgaged gold assets out of the total size of mortgaged gold of 1,500 tonnes in the Indian market, will be spending Rs 100 crore towards advertisement spend this fiscal. "About 10 per cent of this will be for the five endorsement deals. The rest will be for a variety of TV and print media campaigns," Mr V.P. Nandakumar, Chairman of the company, said.

The company signed up with Telugu actor Mr Venkatesh to endorse its brand in Andhra Pradesh, after concluding similar deals with Mr Mohan Lal for Kerala and Mr Puneet Rajkumar in Karnataka. "We are in the process of signing up with Tamil actor Mr Vikram and Bollywood star Mr Akshay Kumar. Our campaign this year will have a new regional approach to reach out to the masses, with the core theme being that gold loans are handy in times of need," he told presspersons here on Friday.

He said Indian households today hold about 20,000 tonnes of gold, which amounted to two-third of the country's GDP.

Gold loans

MAGFIL, which disbursed gold loans worth Rs 8,000 crore last fiscal, aims at touching the Rs 11,000- crore mark in the current fiscal. Its present assets under management (AUM) stands at Rs 2,500 crore, which is expected to double at the end of this fiscal. Its interest ranges from 12-18 per cent.

"We have about 1,100 branches across the country today and we intend to add 400 more this year, with a customer base of 30 lakhs," Mr Nandakumar said.

In response to a question, he said the company had no plans to change its status from NBFC to a bank at the moment.