

CHENNAI, August 17, 2011

Manappuram Finance NCD issue opens

Manappuram Finance, a non-banking finance company, has set a target of gold loan book of Rs.12,500 crore this fiscal against Rs.9,000 crore now, according to I. Unnikrishnan, Managing Director.

Mr. Unnikrishnan was here in connection with the road show of the company's maiden public issue of secured redeemable non-convertible debentures of Rs.1,000 each. The company will raise up to Rs.400 crore, with an option to retain oversubscription up to Rs.350 crore, aggregating Rs.750 crore.

The issue will open on August 18.

There are two investment options. Under option I, the maturity date will be 400 days and the yield to maturity for bondholders in all categories will be 12 per cent per annum.

Under option II, the yield to maturity will be 12.34 per cent in categories I and II, and 12.56 per cent in category III. The interest payment will be semi-annual.

Mr. Unnikrishnan said the market for gold loan financing was largely untapped and would offer a vast potential for further growth. The organised gold loan market was about 1.2 per cent of the value of total gold stock in India.

He said the company was intending to enter the travel and tourism business. As of March 31, 2011, the company's gold loan portfolio comprised more than two million gold loan accounts.