



MANAPPURAM[®] FINANCE LIMITED

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Date: 29.08.2020

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 531213	National Stock Exchange of India Limited 5th Floor, Exchange Plaza Bandra (East) Mumbai – 400 051 Scrip Code: MANAPPURAM
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Dear Sir / Madam,

Please find attached, the proceedings of the 28th Annual General Meeting of the Company held on August 28, 2020.

Request you to kindly take the same on your record.

Thanking you.

Yours Faithfully,

For Manappuram Finance Limited

Manojkumar V.R
Company Secretary
Ph:+91 9946239999

India's First Listed and Highest Credit Rated Gold Loan Company

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PROCEEDINGS AT THE 28th ANNUAL GENERAL MEETING HELD ON 28.08.2020 AT 11.00 AM THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS (“VC”)

Welcome Address

The 28th Annual General Meeting commenced with introductory address by Company Secretary, Mr. Manoj Kumar V.R.

He welcomed the Shareholders, Directors, representatives of Statutory Auditors, Secretarial Auditors, Scrutinizer and other participants. Further, he explained various aspects regarding the conduct of the meeting in Video Conference/Other Audio Visual Means (“VC”).

Chairman’s address

Mr. Jagdish Capoor, Chairman welcomed the members and other participants. He then declared that there was proper quorum for the meeting and called the meeting to order.

He spoke a few words and then thanked the shareholders for their continued support and extended his best wishes.

MD & CEO’s Message

Mr. V.P Nandakumar, MD&CEO welcomed the members and other participants. He facilitated introduction of Directors of the Company joining from various locations.

He then highlighted that, CFO, Company Secretary, Heads of Departments & Subsidiaries, Statutory Auditors, Secretarial Auditors, Advisors, representatives of Registrar and Transfer Agents and Scrutinizer has also joined the meeting from their respective locations.

He stated that due to the restrictions posed by Covid-19 pandemic, this is the first time the Company is holding the AGM virtually and that the same is being held in compliance with the directions of Ministry of Corporate Affairs. He mentioned the below aspects of the AGM held through VC:

- All efforts feasible under the circumstances have indeed been made by the Company to enable members to participate and vote on items being considered in the meeting and
- Live Streaming, of the meeting is being webcast on the website of CDSL
- Since the meeting is held virtually, requirement of appointing proxies is not applicable.
- Registers as required under Companies Act, 2013 is open for inspection. Members seeking to inspect Registers can send an email to cs@manappuram.com, during the course of AGM.
- Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting, shall be eligible to vote through the e-voting system of CDSL till 30 minutes after conclusion of the meeting.

- Since the Notice of 28th Annual General Meeting of the Company, has been circulated as per directions of MCA and SEBI,.
- The remote e-voting was open from August 24, 2020 to August 27.

MD & CEO's speech forms Annexure-1 of the Proceedings.

Notice convening the meeting.

The following items of business, as per the Notice dated May 29, 2020 were transacted at the meeting.

ORDINARY BUSINESS:

Item No 1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of the Board of Directors and the Auditors thereon

Item No 2. To appoint a director in place of Mr. Gautam Ravi Narayan (DIN: 02971674), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No 3. Appointment of Mr. Harshan Kollara Sankarakutty (DIN: 01519810) as an Independent, Non-Executive Director.

Item No. 4. Appointment of Mr. Shailesh Jayantilal Mehta (DIN: 01633893) as an Independent Non-Executive Director.

Item No 5. Approval for amending the Incidental Objects in the Memorandum of Association

Item No 6. Approval to borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1)(c) of the Companies Act, 2013

Item No 7. Approval to create charge/mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1)(a) of the Companies Act, 2013.

QUESTION ANSWER SESSION

MD & CEO, Mr. V.P. Nandakumar facilitated the question answer session wherein queries of shareholders were addressed.

E-Voting

Mr. Sathish.V, Practicing Company Secretary was appointed by the Board of Directors as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner. MD&CEO, ordered the electronic voting system arranged through CDSL for all those members who were present but had not cast their votes electronically using the remote e-voting facility.

Vote of Thanks

Mr. Manoj Kumar V.R., Company Secretary, expressed gratitude to the Board of Directors, particularly to Mr. Shailesh Mehta, who had joined from the US in spite of the time there, which was late night, Statutory Auditors- Deloitte Haskins & Sells LLP, Secretarial auditors- KSR& Co. Company Secretaries LLP, Registrar & Transfer Agents- S.K.D.C. Consultants Limited and Scrutinizer- Mr. Sathish.V, Practicing Company Secretary.

The AGM commenced at 11.00 a.m. and concluded at 01.00 p.m. (including the time allowed for voting at the AGM).

This Summary of the proceeding is issued pending the approval of the Minutes by the Chairman.

Annexure-1

SPEECH BY MD&CEO AT the 28th AGM of MANAPPURAM FINANCE LIMITED ON AUGUST 28

Good morning and a warm welcome to all. It gives me great pleasure to welcome you to the 28th Annual General Body meeting of Manappuram Finance Limited. I'm sure all of you would have received the annual report for 2019-20 and reviewed the results for the financial year ended on 31st March 2020.

Our consolidated AUM grew by 30% to Rs 25,200 crore, and net profit improved by 56% to Rs 1,480 crore. The gold loan business recorded robust growth even as our new business verticals grew faster. Non-gold verticals now contribute 33% of our consolidated AUM. Along with the growth in AUM, we have delivered attractive returns to our investors with ROA of 5.9% and ROE of 28.4%. Our net worth stands at over Rs 5,746 crore, and our standalone capital adequacy ratio is at a healthy 21.7%. Subsequently, we have also published our board approved Q1/ FY21 results, which are available in the public domain. Putting it together, the overall picture of your company today is one of growth with profitability, grounded in low gearing. Importantly, our future prospects appear conducive to improved performance in the days to come.

The Covid-19 pandemic is among the most disruptive events in recent history, and the consequent economic crisis has compounded our hardships. However, I also believe that every crisis comes with opportunities of its own. Take, for instance, today's AGM. All of us are meeting virtually from the comfort of our homes and offices and distance is no more a constraint. In previous years, only a handful of our local shareowners would attend our AGMS. It's my belief that we can turn the worst of times into the best of times, and that bad times are just a trigger that propels us towards the good days. We saw something like this happen in the period from late 2018 when NBFCs in India were put to a trial by fire. It happened after one of the largest NBFCs with the highest credit rating went into default. With banks becoming wary of lending further to NBFCs, liquidity dried up; and it was soon revealed that many NBFCs were facing acute ALM mismatches.

The outlook for NBFCs suddenly darkened and share prices across the sector suffered severe erosion. However, it was not long before the market woke up to the fact that NBFCs such as Manappuram Finance Ltd. dealt predominantly in short-term loans and therefore comfortably placed in the matter of ALM. In fact, in July 2019, at a time when the NBFCs crisis was a major talking point, your Company had its credit rating upgraded by CRISIL, along with upgrades for its subsidiaries, Asirvad Microfinance Ltd., and Manappuram Home Finance Ltd. As I was given to understand, there were only three NBFCs that managed a rating upgrade in that troubled quarter; and they all belonged to the Manappuram group.

Once the market woke up to the inherent strength of our business, our share prices recovered and outperformed the market. In December 2019, your Company was named as the largest wealth creator for 2019 by the Economic Times in its list of ET500 companies with a market capitalisation of over Rs 50 billion. And now, the pandemic, and its economic fallout, is one more such test of resilience that we are confident of sailing through. Our experience is that during an economic crisis, the banks and non-banks are put to severe stress, slowing down their lending activity as their risk appetite diminishes. With few other options available, gold loans become the natural fallback for borrowers denied access to their regular sources of credit.

Your Company has made conscious efforts to provide financial services to fulfil the needs of the aspiring classes in India. This generation of young India aspires for the better things in life, even as they lack access to formal channels of finance. As the Indian economy rebounds and regains its growth trajectory, we hope to stand ready to offer credit to India's aspirational classes.

We have invested heavily to expand its product portfolio to fulfil the demand for credit from the marginalised sections. Today, Manappuram and its subsidiaries offer affordable housing loans, commercial vehicle and equipment finance, microfinance, MSME loans and personal loan products. Most financial institutions provide credit based on the established credit history and documented proof of cash flow (salary or business). We focus on the lower strata of households who will not have documented proof of income but who also work hard and aspire to a better life. To this end, we have devised innovative credit appraisal methodologies to extend credit to deserving borrowers from the unorganised sector. Our target customers are mostly micro and small entrepreneurs and the informal segment employees who earn a regular income, but not through permanent employment with income proof. This segment is still relatively untapped and we believe it holds good potential.

While we are not yet out of the COVID-19 crisis, it is clear to me that the way we behave in times of stress is more reflective of who we are. I am sure the actions we are taking today will find favour with our present and future stakeholders. I am optimistic about the opportunities arising from the work we are doing for our customers, and the major investments we are making in digital and cloud services.

At Manappuram, we have sought to balance the interests of all our stakeholders and the important among them are all are our shareowners. Over the years, I've had the good fortune to know you and enjoy your confidence and I look forward to your continued cooperation. Finally, I would like to conclude by expressing my sincere thanks to the front line corona warriors of India who are battling the pandemic, to our customers and employees, to our regulators, the government of India and of the states that we operate in, and of course, to all of you shareowners, for your unwavering support and faith in the company.

Thank you, Jai Hind!