

Business Standard

Manappuram Finance net profit soars 136%

Company declares 1:1 bonus

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Manappuram General Finance & Leasing Ltd, the Kerala based gold loan NBFC, has delivered another year of sterling performance with annual results in line with expectations. Net profit for the financial year March 31, 2011 increased by 136% to Rs.282.66 crores compared to Rs.119.72 crores for FY 2009-10.

The Board of Directors has proposed a bonus issue of shares in the ratio of 1:1 along with a final dividend of 30% on the enhanced capital. Incidentally, this is the third occasion in the last five years that the company has declared a 1:1 bonus. Mr. V P Nandakumar, Executive Chairman of the company, announced the results today after the board meeting held at the company's registered office.

The growth in profits was driven by the record growth in Asset under Management (AUM) which have shot up to Rs.7,549 crores, an increase of 188% over the previous years level of Rs.2,617 crores. Total gold loan disbursements during the year amounted to Rs.18,057 crores (previous year, Rs.7,123 crores). The increased volumes came about on the back of the high profile advertising campaign revolving around celebrity brand ambassadors which has significantly enhanced the company's brand recall.

Operating income for the year was Rs.1,178.75 crores compared to Rs.476.96 crores for the previous year recording a growth of 147%. Profit before tax (PBT) grew to Rs. 423.89 crores compared to Rs. 181.83 crores in the previous year. The provision towards income tax stood at Rs.141.23 crores as against Rs.62.10 crores the year before. Earnings per share (face value: Rs.2/-) have also increased to Rs.7.61 from Rs.4.09.

Capital adequacy ratio has been maintained at a higher level of 30.26% as against the 15% mandated by RBI. In calendar year 2010, the company had successfully raised additional capital of Rs.1,245 crores through two Qualified Institutional Placement (QIP) issues.

During the year, the company was assigned an improved long term credit rating of AA- by CARE. Moreover, the company has more than doubled its nationwide branch network from 1005 branches to 2064 branches across 21 states.