

Manappuram Gen Fin eyes Rs 100cr profit in Q4

Jan 24, 2011 at 07.59 PM

VP Nandakumar, CMD of Manappuram General Finance & Leasing, in an interview with CNBC-TV18's Sonia Shenoy, spoke about the results and his outlook for the company.

Q: Can you take us through your numbers this quarter?

A: Our income from operations has grown from Rs 132 crore to Rs 330 crore which is an increase of about 150%. Profit after tax (PAT) grew from Rs 53 crore to Rs 111 crore which have seen a growth of another 111%. Net profits grew from Rs 35 crore to Rs 74.5 crore, a growth of 113%.

Net worth has grown from Rs 321 crore to Rs 1,880 crore, a growth of 485%. Disbursement, from Rs 2,484 crore as gone up to Rs 5,575 crore, a growth of 124%. There are a number of branches from 870 to 1795 and customers from 4.91 lakh to 10.28 lakh.

Q: Where do the net interest margins (NIM) stand for the quarter and how have they grown sequentially?

A: Margins have come down slightly because of two reasons. One, the cost of borrowings has gone up slightly by 1%. We voluntarily reduced our rate of interest by 3%. From 24% to 21% is the contracted rate. So, a slight reduction is seen in the gross margins to 15%.

Q: What have you done in terms of the gold loan disbursements? What is the absolute figure? What kind of disbursements could you end up with at the end of FY11 and 12?

A: We have disbursed around Rs 5,575 crore last quarter. We expect the asset under management by the end of this year to be around Rs 8,000 crore. In the last quarter, we will come out with a profit of around Rs 100 crore.

As far as the next year is concerned, we are hopeful of doubling that asset under management as we have created a capacity of more than 1,000 branches additionally this year. This will help us to grow our asset under management by 100%. During 2011-2012, we expect to double the profit.

Q: What do you have to say about your NIMs? Do you think because of rise of wholesale funding cost, it would slip below 15%?

A: We will be able to maintain at that level. The short-term borrowing rate will cool down to some extent and the present increase in the short-term borrowing maybe temporary. So, with that, we are confident it could be maintained at 15% levels.