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Manappuram net profit zooms by 295 per cent

KOCHI: Manappuram General Finance & Leasing Limited, a gold loan company, has registered spectacular growth for the year ended March 31, 2010. Its net profit has zoomed by 295 per cent. The figure pertains to the combined entity, Manappuram Finance Tamil Nadu Limited and Manappuram General Finance and Leasing Limited, as the former was merged with the latter. The result was announced by the company Chairman and Managing Director, V. P. Nandakumar, at a press conference here.

In the year under review, the company has reported a net profit at Rs.119.72 crore as compared to Rs.30.30 crore of 2008-09. The income from services increased by 193 per cent at Rs.469.98 crore as against Rs.160.52 crore of 2008-09. Profit before tax for the year amounted to Rs.181.82 crore as against last year figure of Rs.46.28 crore, registering an increase of 295 per cent. The dividend will be 25 per cent, he said.

The company disbursed gold loan worth Rs.7,123 crore to 7.98 lakh customers through its branches. A total of 360 new branches were added during the year to take the total branch network to 1,005, spread over 15 States. The branch strength would be increased to 1,400 by year-end. The capital adequacy ratio has been maintained at 28 per cent against the RBI mandated 15 per cent, he said.

The company's portfolio consists of gold loan to the extent of nearly 95 per cent. With gold becoming a steady investment option for people, the company expects to augment the business through methods such as micro credit against gold jewellery. An increasing number of people, especially the non-bankable community, is turning to the convenient loan option to meet financial contingencies.

In February this year, the company could successfully place equity worth Rs. 245 crore with international institutions such as Nomura, Capital World and Wellington. This is the third time that Manappuram Finance received foreign direct investment, Mr.Nandakumar said.

The company has paid Rs. 64 crore as taxes last year. It is involved in a number of humanitarian activities as part of its corporate social responsibility, Mr. Nandakumar said.