

Manappuram eyes 20% rise in loan disbursement next fiscal

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Gold loan financing company Manappuram Finance is hoping to clock 20 per cent rise in loan disbursement and revenues in the next financial year on the back of improved business sentiment, a top company official has said.

The Kerala-based gold loan NBFC has witnessed a degrowth in loan disbursements in the third quarter of current financial year following the cap imposed by the RBI on the loan to value (LTV) ratio.

"Things have been improving in recent times. We are hopeful of posting a 20 per cent growth in loan disbursement and in revenue in the next financial year," Manappuram Finance Managing Director I Unnikrishnan told PTI.

After the announcement of LTV cap at 60 per cent by the RBI last April, gold loan financing companies have been facing tough competition from commercial banks, which don't have any such limit to comply. This has resulted in migration of customers from gold loan NBFCs to banks.

Earlier, private gold loan companies like Manappuram, Muthoot Finance and Muthoot FinCorp among others have been giving up to 90 per cent of gold value in loan.

"Things are definitely improving on this front," Unnikrishnan said.

Asked whether the company will apply for new banking licence, he said they are yet to take a call on the matter.

Manappuram reported 48 per cent decline in net profit at Rs 84.38 crore in the December quarter compared to Rs 161.37 crore a year ago.

Loan disbursals declined 45 per cent to Rs 5,703 crore in the December period from Rs 10,372 crore reported a year ago.