

High gold loan revenue lifts Manappuram profit 4-fold

By Sanjay Vijay Kumar May 11 2010 , Chennai

Kerala-based gold lender Manappuram General Finance and Leasing (MAGFIL) said its financial year 2010 net profit nearly quadrupled, driven by increase in revenue from its key segment.

The company posted a net profit of Rs 119.7 crore for financial year 2010, compared with Rs 30.3 crore in the same period last year. Income from operations rose to Rs 477 crore from Rs 165.02 crore.

Revenue from the gold loan segment, which accounts for more than 86 per cent of the company's business activities, rose 213 per cent to Rs 465.1 crore from Rs 148.8 crore in financial year 2009, while profit leaped to Rs 192.64 crore from Rs 62.37 crore.

MAGFIL, which made gold loan disbursements of Rs 8,000 crore in financial year 2010, expects a growth of 88 per cent in financial year 2011. The company also plans to expand its branch network by adding 500 more branches this year, taking the total number of branches to more than 1,600. The expansion will also see company entering five new states in the country. The lender has presence in 15 states.

It has added about 700 new branches over the past two years and has staff strength of over 8,000 people for a customer base of over 500,000.

MAGFIL had recently mobilised Rs 245 crore through qualified institutional placement, while venture capital firm Sequoia Capital had exited the company last month with returns of eight times.