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Aditya Birla Capital Net Profit Rises 52%

Strong show in NBFC,
asset management,
life insurance business
lifts Q4 numbers

Our Bureau

Mumbai: Aditya Birla Capital's net profit jumped 52% in the fourth quarter aided by strong performance of non-banking financial companies (NBFC), asset management and life insurance business.

The company's net profit rose to ₹258 crore in the fourth quarter ended March 31, against ₹169 crore in the corresponding period a year ago. Aditya Birla Capital is a holding company for insurance, asset management, lending and asset reconstruction.

NBFC business posted a profit before tax of ₹352.70 crore against ₹280.77 crore. The company's lending book grew 20% by lending to mostly SMEs, retail segments, HNI segment to ₹51,714 crore.

The top executive of the company expects the lending book to grow by 20-25% in this financial year. Net interest margin improved 33 basis points to 4.9%. The company raised ₹11,000 crore of long term funding. "The cost of funds rose 40 basis points for us, but we passed on the increase and lent to newer segments," said Ajay Srinivasan, CEO



of Aditya Birla Capital. In terms of liquidity, the company matched asset liability for a year. Its dependence on short term funds, especially commercial papers in less than 3 months bucket, is 14%. "We have back up lines from banks," said Srinivasan.

Life insurance premium grew 60%, boosted by a tie-up with HDFC Bank adding market share of 125 basis points to 4.2%. The value of new business margins improved to 9.5% at the year end.

Srinivasan said that they have tied up with 10 bank partners in health insurance and the business is likely to break even in 2022. Health insurance business did gross written premium of ₹497 crore. Housing finance profit rose to ₹40.36 crore from ₹12.77 crore with assets growing to ₹11,474 crore. Asset management business reported profit of ₹180.21 crore, up from ₹151.26 crore, with total assets under management of ₹2,65,109 crore.