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ABCL plans ₹1,000-cr investment

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The Aditya Birla group plans to invest ₹800-1,000 crore per annum in its lending and health insurance businesses, to support growth plans.

Aditya Birla Capital (ABCL), the financial services arm of the group, has taken approval from its board to raise up to ₹3,500 crore of equity capital.

Ajay Srinivasan, chief executive officer of ABCL, said the board's go-ahead to raise capital enabled the resolution. Various businesses under ABCL need capital to grow. The firm also has the ability to leverage and provide capital to subsidiaries.

ABCL, a holding company for insurance, asset management, asset reconstruction, and lending activities, posted net profit of ₹258 crore in the March 2019 quarter (Q4FY19), up from ₹169 crore in Q4FY18. Total income for Q4 rose to ₹5,050 crore from ₹3,944 crore. Net profit for FY19 grew 26 per cent to ₹871 crore, while revenues rose 29 per cent to ₹16,570 crore.

The non-banking financial company, which lends to corporates, SMEs and retail segments, saw its loan book expand 20 per cent year-on-year to ₹ 51,714 crore March-end.