

Reliance Housing Finance eyes slot in top 5

Hopes to boost assets under management to ₹50,000 cr by 2020

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Reliance Housing Finance (RHF), a subsidiary of Anil Ambani-led Reliance Capital, is looking to be amongst the top five housing finance companies in the next three years.

This housing finance lender is eyeing assets under management (AUM) of ₹50,000 crore by 2020, said KV Srinivasan, Chief Executive Officer, Reliance Commercial Finance, and a director at RHFL.

As of September this year, RHF's AUM stood at ₹6,500 crore, a 65 per cent jump on a

year-on-year basis. As much as 40 per cent of this AUM came from metros.

Asked how RHF plans to achieve its AUM goal, Srinivasan said that the company intends to focus on the self-employed and SME segments, which constitute 70 per cent of the working population but are untapped by the banking network due to their unstructured and inconsistent income stream.

"We believe that there is a huge potential in this segment, especially when we have developed strong expertise in assessing risk for this segment in our commercial lending business," Srinivasan told *BusinessLine*.

He also said that the company, which already had reasonable presence in Tier 1 and Tier 2 cities, would strive to go deeper



KV Srinivasan, CEO, Reliance Commercial Finance

into Tier 2 and Tier 3 cities for growth.

With a presence in 100 towns, RHF is now looking to double its network in the next two years.

Many housing finance companies see strong growth po-

tential for housing finance given that the government is targeting 'Housing for All' by 2022.

According to Srinivasan, RHF was not looking at inorganic growth for now. However, RHF was "not averse to considering any worthwhile opportunity", he added.

He said that RHF strongly believed that the next level of accelerated growth will come from the non-metro areas and the non-salaried class.

"Our internal studies have identified key cities and areas where we expect maximum development to take place in next five years. Our aim will be to be present in these cities in market leadership positions," Srinivasan said.

For achieving its growth aspirations, RHF would also be

looking at the sub-₹10 lakh category and tap the affordable housing segment, he said.

"In the interim, we will take the help of MFIs and other aggregators, till we develop our core competency in this market," Srinivasan added.

Adequate capital

RHF is not looking at any capital mop-up for now with capital adequacy at 19 per cent as of September 30, 2015.

For the quarter ended September, RHF recorded a net profit of ₹31 crore, a year-on-year increase of 54 per cent. Income for the quarter under review stood at ₹200 crore, a 74 per cent increase over the year-ago period.

RHF's disbursements in the quarter rose 73 per cent to ₹761 crore.