

THE ASIAN AGE

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RELIANCE

Capital

Reliance Capital gets Edelweiss buy

Armed with an experienced team and heightened focus (now a separate entity), the strategic aim of Reliance Capital is to move away from being a predominant SME lender to emerge as a diversified lender. The two pronged strategy is to carve a niche in personal finance by creating strategic assets (mobile first acquisition process, leveraging group database among others), while increasing market share in the strong SME domain. Within consumer finance, the aim is to start with products where finance penetration is low, risk-adjusted returns are high and gestation is low. Thus, the company plans to start with two-wheeler and used car financing, while consumer durable finance (which has longer gestation period) will be the strategic driver for next leg of growth.

Broking firm: Edelweiss
Financial Services

Rating: Buy

Closing price: ₹602.85