
Reliance Home Finance Closes 5% up on Street Debut

Our Bureau

Mumbai: Shares of Reliance Home Finance (RHF), the demerged home finance business of Anil Ambani-controlled Reliance Capital, listed on exchanges on Friday. The shares listed at ₹102 on the NSE and was locked in the upper circuit thereafter. On the BSE, shares listed at ₹104.

Shares of the company closed 5% higher on both exchanges. On the BSE, shares closed at ₹109.20 while on the NSE they closed at ₹107.20. Shares of parent firm Reliance Capital were down 7.83% on the BSE closing at ₹661.55. Shares ended 8.34% lower on the NSE at ₹658.00.

Reliance Home Finance was hived off from parent Reliance Capital with September 6 as the record date. Reliance Capital shareholders received a share of Reliance Home Finance for each share of Reliance Capital held. The parent firm continues to hold 51% stake in the home finance company.

Reliance Home Finance provides home loans, loans against property, construction finance, and affordable housing loans and has ₹13,022 crore worth assets under management as of June 30, 2017.

Edelweiss Securities has a positive view on the company and said the separate listing would entail efficient capital allocation. "Given the huge opportunities in the housing segment due to under-penetration and



Reliance Group chairman Anil Ambani with Anmol Ambani, ED, Reliance Capital, and Tina Ambani at the listing ceremony of Reliance Home Finance at the NSE in Mumbai on Friday. PTI

government/regulator support, we believe there is immense scope for RHF to sustain/improve growth momentum." It said the business is currently one of high growth and average margins. "Scaling business along with cost focus will help the company improve cost ratios and, consequently, improve returns profile while asset quality continues to be stable given strong risk management framework." SBI Cap Securities in a note, however, said the key risks to the company are the unseasoned nature of its loan book and possible escalation in credit costs.