

## Reliance Home Finance makes stock market debut at Rs104

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**R**eliance Home Finance Ltd, the demerged entity of Reliance Capital Ltd, made a firm debut on the stock exchanges on Friday, rising by the upper circuit limit on the first day of trading.

Reliance Home Finance, a part of Reliance Group, rose to Rs104 on the BSE. During the day, it hit the 5% upper circuit at Rs109.20, the price at which it had ended on its debut trading day.

Reliance Capital shares fell 7.83% to Rs661.55 on a day the benchmark Sensex ended 1.38% lower at 31,922.44 points. Reliance Capital's stock has risen nearly 88% in 2017. The parent company still holds a 51% stake in the newly created housing finance firm.

RHFL is looking to ramp up its affordable housing loan portfolio by tapping the growth potential offered by the housing market and support from the government in the form of subsidies.

Commenting on the opportunities in the housing finance segment, Anmol Ambani, executive director at Reliance Capital, said affordable housing will be a major focus area.

The home financier had assets under management including a securitised portfolio of Rs13,022 crore as of 30 June. The firm offers loans against property, construction finance and affordable housing loans.

Anmol Ambani said the decision to demerge RHFL from Reliance Capital was a "conscious" one. "Our focus remains affordable housing and you will see its proportion increase in our overall book," he said, referring to the financing opportunities that have opened up through the Pradhan Mantri Awas Yojana. At present, the affordable home loan portfolio constitutes 20% of RHFL's loan book.

Ravindra Sudhalkar, executive director and chief executive of RHFL, said the firm expects assets under management to touch Rs50,000 crore by 2020. He said the firm had grown at a compound annual rate of 50% in the last three years. RHFL's gross non-performing assets make up 0.8% of its loan assets.

"We will look to build strong retail assets in the home loan segment," Sudhalkar said.

The move to list the housing finance division was aimed at unlocking capital for the parent firm. Reliance Capital has been looking to list its mutual funds and general life insurance businesses as well.

*Reliance Group companies have sued HT Media Ltd, Mint's publisher, and nine others in the Bombay high court over a 2 October 2014 front-page story that they have disputed. HT Media is contesting the case.*