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# Reliance Cap gets nod for home fin arm



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**Sam Ghosh**  
MD & CEO, Reliance Capital

### Banking Bureau

Mumbai, Jan 14

Reliance Capital Ltd, the financial arm of the Reliance Anil Dhirubhai Ambani Group (ADAG), announced that the company has received the necessary approval from the National Housing Bank (NHB) for setting up a housing finance company.

Earlier, the company had also received the nod from RBI to set up a Non-banking Finance company (NBFC) to carry on consumer finance business.

Conforming the development Sam Ghosh, managing director & chief executive officer, Reliance Capital said the company would invest around Rs 1,500 crore in these two business segments.

"We are already doing them through 42 branches. We now decide division of these branches between these business in next two months."

On asking whether the company would be able to offer loans at cheaper rates in a highly competitive market, Ghosh said, "Rates would be competitively priced as with this approval funds would be available at much cheaper rates."

"I cannot say that it would be lowest in the country but it would be one of the lowest,"

Ghosh added.

According to Ghosh, the present period is appropriate to give a push to the housing finance business but would not say the same for the consumer finance business.

"We will prefer an organic growth expect 20% growth in housing finance business. Our loan book size as of now is Rs 3,500 crore and would grow further following the NHB approval," he said.

Initially, the company will focus on metros and as business grows, it will explore further markets.

The new company will be regulated by the National Housing Bank and would be eligible for special benefits, essentially refinance, repossession and lower capital adequacy. As a housing finance company it will also be allowed to raise funds through external commercial borrowings, while a non-banking financial institution undertaking this business does not enjoy such benefits.

The objective of the company is to be one of the leading housing finance companies in the country in the next three to five years and very competitive in the market. The process of putting in a good team would be the first priority.