

Housing, SME loans to be focus areas for Edelweiss Retail Finance, says top official

Turnover expected to almost double to ₹10,000 crore this fiscal year

OUR BUREAU

Mumbai, November 23

Edelweiss Retail Finance will focus on housing and SME loans in small towns, Anil Kothuri, President, said. Currently, the company has a footprint in 80 towns.

SME finance operations, which currently are carried out of 25 towns, is expected to expand to 150 towns using a hub-and-spoke model by the end of the current fiscal, Kothuri said.

Over the six years since the company was set up, various internal processes and products were tried and tested, he said. Business is growing at a rapid pace now, he added.

The company closed last



Anil Kothuri, President, Edelweiss Retail Finance

fiscal with a turnover of ₹5,500 crore. It has added another ₹2,000 crore in the first six months and expects to close the year at ₹10,000 crore.

Two-thirds of this is from housing loans and a third from SME loans. The average ticket size of these loans is ₹10 lakh, he said.

The company has identified the self-employed segment outside the top 10 cities

as the focus area for housing finance.

Information flow

The availability of an identity tool like Aadhaar, and the improving information infrastructure through credit information bureaus and payment networks will help grow the business in this segment, Kothuri said.

Other trends such as growing urbanisation and nuclearisation of families will contribute to growth in these segments, he added.

Asked about the repayment trends, he said that housing finance has traditionally seen low delinquency rates, while the SME portfolio, thanks to careful underwriting, has not witnessed any problems despite demonetisation and the hiccups with GST implementation.

The gross NPA ratio stands at 1.3 per cent, he said.