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## Aditya Birla Cap to push retail, SME loan book

ABHIJIT LELE

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Aditya Birla Capital is planning to invest ₹10 billion each year to grow its retail and small and medium enterprise (SME) loan book, administered by a non-bank finance company (NBFC) and a housing finance company (HFC).

The outstanding loan book — NBFC plus housing — rose by 41 per cent to ₹465.22 billion at the end of December last year against ₹330.47 billion in December 2016.

The Aditya Birla Group invested about ₹2.5 billion in April-December 2017 in the housing finance business.

The group will decide on investing more this year, looking at business trends, according to Ajay Srinivasan, managing director and chief executive.

Its lending business contributed ₹13.06 billion to its revenues in the third quarter of 2017-18, up from ₹12.46 billion in the same period of the previous financial year.

Srinivasan said the size of the loan book, comprising lending to the corporate, SME, and retail segments, on the NBFC's balance sheet was ₹397.70 billion as of December 2017.

Large and mid-corporates have a combined share of 51 per cent. SMEs and retail together form 36 per cent of the book.

The company expects retail and SMEs to be the thrust areas, and their shares to grow to more than 40 per cent in two-three years, according to Srinivasan.

There are opportunities of building mid-size and large businesses, the company says, adding

it will look at taking exposure to completed projects so that it does not face execution risks.

The finance company will add 33 branches to take the total to 72 by the first quarter of the next financial year to increase its presence in tier-2 and tier-3 cities.