



Building Dreams

Winds of change have blown in success for this housing finance company. BY KAPIL WADHAWAN

My journey with Dewan Housing Finance Corporation Ltd. (DHFL) has certainly been an enterprising one. Though I have been associated with the company for 15 years now, my heart was always in it since I was a child. There were talks of the business around me every day and the mind was always at work thinking of how it could be improved. Whilst I was pursuing BCom from HR College in the early '90s, I spent two years learning the ropes of the housing finance business. There were many legal, technical and credit aspects that I needed to understand. I also met a lot of prospective customers to comprehend their needs. Once my fundamentals were clear, I went off to Australia to pursue my MBA degree.

In those days, e-mail was not as popular as it is today. However, I was in continuous coordination with my father Rajesh Kumar Wadhawan, who kept me updated about the various strategic initiatives of the company through mailed annual reports and brochures etc. I came back in 1997 to devote all my time to DHFL. The management signed me on as executive director.

Though we were already a listed company and profitable by record, our asset book when I joined was quite small. I was clear about one thing: if we had to grow, we would need capital/debt funding as the growth of a housing finance company could be constrained by limited funding sources and lack of liquidity as the business is a capital-intensive one. I conveyed clear capital/debt aspirations to the senior management post my involvement.

We spent hours identifying possible sources of funding. The sources are often the same for

all housing finance players. What also plays an important role in securing actual funding is the trust factor. I remember sitting outside the offices of senior bank managers for hours together just to have a brief interaction with them.

There were many changes happening in the economy and national level at that point. The Malhotra Committee report came out in November '94, which eventually led to the liberalization of the insurance sector. New players entered the Indian market. During my stay at the Edith Cowan University in Australia, I had been talking to certain Australian players about their prospects in India.

One of them successfully entered the country post these developments. While I tried to figure out the operations in the changed market scenario over the next few years, the onset of 2000 once again brought in a lot of changes for all of us.

The passing away of my father in that year changed everything at DHFL. He was the founder chairman of the company and till now all business development had been driven by his vision.

Post this incident, my uncle stepped in as chairman while I was assigned the role of managing director. The organization was faced with transformation, both internally and externally.

The first major roadblock was the people challenge. DHFL employees were not eager to see the leadership baton change hands. It took a while for people to accept the new leadership and the change in work culture. Though my uncle was on board, the mantle was clearly on my head. I was eager to bring in fresh vision at the senior management

TIPS FOR ASPIRING ENTREPRENEURS:

1. Perseverance is the most important tool you can have in your kit.
2. Be patient. Dreams often take time to become real.
3. Think big. Have restless nights about what you want to do and where you want to be.
4. Bring the right people on board. They should be able to carry forward your vision.
5. Build trust. It is the most powerful force that can bind both your employees and customers.

Kapil Wadhawan
Chairman and MD, DHFL





level, which led to some re-organization and new hiring internally. Employees showed resistance to that too.

In 2002-'03, I also brought in the company's first professional CEO. Bikrum Sen stayed with us for a few years while currently this charge is handled by Anil Sachidanand.

Over the past decade, DHFL has grown from being a classic, promoter-driven housing finance company to a professionally-managed, global-thinking firm.

Today we have two representative offices in London and Dubai for easy loan disbursement among NRIs settled there.

Parallel to these internal changes, we were also rebuilding our brand image externally. We consciously stepped out of our shell to make ourselves visible. We devised strong, targeted communication content asking our employees to think big and challenge norms. Scale was important if we had to make our presence felt nationally and internationally.

I knew scale would take time to achieve and it would also test our patience but we had to start somewhere. Till '97, DHFL was a silent private sector player in the housing finance space growing at its own steady rate. We were not a part of big property exhibitions or real estate initiatives.

We decided to actively participate in events and other platforms from then onward. It would not only gain us visibility but also access to potential customers.

In 1999, DHFL stepped in as lead sponsor for a CREDAI (Confederation of Real Estate Developers' Associations of India) event where the Prime Minister was present along with a huge developer contingent. In subsequent years, we co-sponsored a mega real estate initiative spearheaded by the FICCI and the CII.

There has been no looking back since. We sailed along with the euphoria that was being built around housing at the onset of the decade and achieved new milestones along the way. However, we never changed our primary focus of serving the LMI (lower and middle income) segment and making shelter affordable for them.

Let us go beyond the organization now and talk of external partners. We have always

believed in the strength of the PPP (public private partnership) model to extend our reach and truly serve the Indian masses.

Today, we have a tie-up with three public sector banks through a home loan syndication agreement. These include the Punjab & Sind Bank, the United Bank of India and the Central Bank of India. DHFL is already a strong player in the western and southern markets; these alliances are helping us to strengthen our presence in certain parts of northern, eastern and central India.

The NHB has also actively supported us through the years. Today, we are the only housing finance company in India to have three operating licenses. We already had one for DHFL, the second license was added to our bouquet when we took over Vysya Housing Finance from ING Vysya Bank in July 2003.

There is an interesting story behind this acquisition. There was a big report in the newspapers at that point talking about DHFL as a possible acquisition target. We wanted to make it clear to observers that we were acquirers and not acquirees. So I signed the ING Vysya deal.

As far as the third license is concerned, IFC has chosen us as partner to service the lower income segments of the country. For this, NHB has approved of a third license very recently. In the new entity christened 'Aadhar', IFC will hold a 20 percent stake while we will hold the remaining 80 percent.

The group has today also diversified its portfolio to make a mark in spaces like retail, lifestyle and hospitality. To leverage new business opportunities, one needs to take risk. This ability to take risk runs in the blood for the Wadhawan family.

The most cherished moment in DHFL's entrepreneurial journey was when we crossed the Rs.100 crore landmark for loan disbursal in 2008. Today, we have crossed the Rs.500 crore mark too. ■

KAPIL WADHAWAN is the Chairman and MD of Dewan Housing Finance Corporation (DHFL). An MBA graduate from Edith Cowan University, Perth, Australia, Wadhwan was the Executive Director on the Board of DHFL before taking on his current role. He is widely recognized as a financial expert and a philanthropist.