



## Bridging the Gap: Challenges and Solutions in BFSI Employee Training



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*The BFSI industry faces multiple challenges as far as offering employee training is concerned. There is a rising skill gap and the need for more tech-oriented roles, shared **Nagendra Singh**, Executive Director, Shriram Housing Finance Limited, in an exclusive interaction with **Srajan Agarwal** of **Elets News Network (ENN)***

**Shriram Housing Finance (SHFL) has recently raised \$50 million in External Commercial Borrowings (ECB), which has translated into on-ground lending activities. How does this capital infusion help you achieve your growth targets?**

The ECB funds have been channelised towards financing affordable housing in the country. We raised \$50 million from the international markets at a competitive rate and it helped us manage our cost of funds and diversify our borrowing profile. At SHFL we have financed more than 1.5 lakh customers and we recently crossed the Rs 10,000-crore assets under management (AUM) mark, much ahead of our targeted timeline. We expect the current growth run rate of over 40% CAGR to continue over the next 2-3 years.

Shriram Housing Finance is a fast-growing HFC, and it is important for us to diversify our sources of funds. The company has raised over Rs 2,000 crore during Q1FY24, which is our highest quarterly fund-raise. Our various sources of funding include bank loans, accounting for 56% of total borrowings; debt market instruments at 19%; NHB refinance, at 17% and PTC at 8%.

**Do you have any plans to enter new business segments such as 'Approved Project Financing' (APF) and loans for under-construction properties?**

We are the 3rd largest Affordable Housing Finance Company (AHFC) and have a dominant market presence in AP & TG, Tamil Nadu, Karnataka and Gujarat. The rest of the country is open for us. We are the only AHFC with a pan India presence and we will penetrate deeper into the markets we are present in today, to establish ourselves as the market leader. We are also exploring products like 'Approved Project Financing' and 'Under construction property Loans'. We will consider launching these new products sometime soon.

**Currently, SHFL is the third-largest Affordable Housing Finance Company (AHFC) and aims to become the largest by FY26. What strategic initiatives have you planned to achieve this ambitious goal?**

The affordable housing market is witnessing a boom now. Even if the interest rates are above 12-13%, credit demand is very high. Asset quality and profitability are very good. In this



segment, SHFL's non-performing assets (NPA) are notably lower than the industry average. As part of our strategy, we have significantly expanded distribution pan India. We have hired more hands this year and, currently, our employee strength is over 2,500. Further, we have signed co-lending pacts with SBI, Axis Bank, and Punjab and Sind Bank. In the current fiscal year, we expect our AUM to touch around Rs 14,000 crore. In three-four years, we will be the largest affordable housing finance company in the country.

**SHFL has been promoting women-centric policies to drive equality and implemented HR best practices to attract more women into the organization. Can you share some specific policies and practices that have been effective in achieving this goal?**

SHFL firmly believes that diverse companies are more successful and a more accurate reflection of the society in which we live. Promoting diversity, through our HR policies and gender-friendly work practices, delivers a competitive advantage that also helps to address some important issues in today's world.

As part of this endeavour, SHFL has launched an industry-first 'SheFirst' initiative to create a more equitable office environment through increased women hiring, women-centric welfare policies and flexibility in the

workplace. The 'SheFirst' programme strives to emulate the true essence of diversity through varied thoughts and views, especially those of women, who remain under-represented in the Indian workplace due to lesser opportunities and social barriers.

**SHFL recently launched a centre in Ahmedabad to train better in-house talent. How do you envision this centre contributing to the company's long-term success? What kind of training programmes and skill development will it focus on?**

The BFSI industry faces multiple challenges as far as offering employee training is concerned. There is a rising skill gaps and the need for more tech-oriented roles. New IT-centric jobs are on the rise, however there isn't the right talent. Additionally, technological innovations in BFSI demand reskilling of existing roles. SHFL believes it is a must to equip our workforce with tech-based skills. There is a need for continued training across functions and the newly-opened Ahmedabad centre will be a regional hub for it. We are training our employees to be efficient in handling digital tools and digital lending practices, which ensure ultimate customer satisfaction. As a growing organisation, we plan to double the workforce in the next 3 years and thus training them will be an imperative. •