

04:05 PM 10 OCT MARKET STATS ▼	SENSEX 28,082 ▲ 21.20	NIFTY 50 8,709 ▲ 11.20	GOLD (MCX) (Rs/10g.) 29,740 ▲ 82.0	USD/INR 66.53 ▼ -0.16	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
--	---------------------------------	----------------------------------	--	---------------------------------	-------------------------	--------------------------------	------------------------

IDFC Bank expects rural units to be profitable by March

By [Joel Rebello](#), ET Bureau | Updated: Oct 12, 2016, 08.43 AM IST

[Post a Comment](#)

Mumbai: IDFC Bank expects its rural branches to become profitable in the next six months as it pushes more retail products through its young network and builds scale through recently acquired microfinance companies.

The bank is targeting multiple [relationships](#) with rural house relationships with rural households, offering products like small home loans, two-wheeler loans and small savings, as it expects to have 1.4 million individual customers in rural areas by March 2017, chief executive Rajiv Lall said.

IDFC Bank's acquisition of Tamil Nadu-based microfinance company Grama Vidiyal in July will give it access to 330 branches across seven states, which it will use to sell more products.

"Our rural branches will be profitable by March 2017 because of low cost of operations," Lall said.

The Grama Vidiyal acquisition gave IDFC Bank access to states like TN, Pondicherry and Kerala which will help it leverage liabilities and small savings products.

"The whole idea is to be a preferred banker to the households. Grama Vidiyal acquisition will give us scale which is more important because it will help us get stickier and safer deposits. We will have 1,400 points of contact in the rural and semi urban areas by March 2017," Lall said.

IDFC Bank and the Kolkata-based Bandhan Bank were two new lenders that got universal branch licence in April 2014. They have undertaken different paths because of the nature of [business](#) they inherited.

IDFC is building a retail deposit and loan franchise. Bandhan, because of its earlier avatar as a microfinance company, inherited a huge branch network dominated by individual customers. Lall said his bank's philosophy is that a large branch network is not required for growth. Bandhan has more than 670 branches currently which is likely to rise to 850 by March 2017. In comparison, IDFC Bank has 70 branches, 54 of which are in small [cities](#), towns and villages. IDFC Bank's strategy will be to spread its network using touch points, including 1,000 so-called micro ATMs, rather than branches, Lall said.

Stay on top of business news with The Economic Times App. [Download it Now!](#)   

RELATED COMPANIES EXPAND

[Infrastructu...](#)



Live Market	News	Portfolio	Mobile	Live TV	Newsletter	Commodities	Speed	QnA	Blogs	Alerts	RSS
Other Times Group news sites		Living and entertainment		Hot on the Web			Services				
Times of India इकनॉमिक टाइम्स मुंबई मिरर टाइम्स Mumbai Mirror Times Now Indiatimes नवभारत टाइम्स महाराष्ट्र टाइम्स விசயம் சந்தாக்கம் Lifehacker Gizmodo Eisamay IGN India NavGujarat Samay		Timescity iDiva Bollywood Zoom Luxpresso Online Songs Travel Guides Hotel Reviews Cricbuzz.com Prepaid Mobile Recharge		Festival Guide 2016 Gold Rate Google expected to unveil Pixel smartphones US Elections 2016 Live: India's surgical strikes on PoK RBI Rate Cut RBI Monetary Policy			Book print ads Online shopping Free Business Listings Matrimonial Astrology Jobs Property Buy car Bikes in India Used Cars Online Deals Restaurants in Delhi Movie Show Timings in Mumbai Remit to India Buy Mobiles Listen Songs Voice Greetings Technology News Augmented Reality Mobile Recharge Compare Mobile Phones				
		Networking									
		itimes MensXP.com									