



“CanFin Homes Limited Q1 FY2018 Results Conference Call”

July 21, 2017



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Moderator: Ladies and gentlemen, good day and welcome to the CanFin Homes Q1 FY2018 results conference call hosted by Elara Securities Private Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. I now hand the conference over to Ms. Ritika Dua from Elara Securities. Thank you and over to you!

Ritika Dua: Thank you Stanford. Good afternoon everyone. On behalf of Elara Securities, I welcome you all to discuss Q1 FY2018 results of CanFin Homes Limited. We have today, Mr. S.K. Hota – MD & CEO, CanFin Homes and Mr. Atanu Bagchi – Deputy GM & CFO. I would request Mr. Hota to give a brief on the results post which we can open the lines of Q&A. Thank you and over to you Sir!

S.K. Hota: Thanks Ritika. Good afternoon. The Q1 numbers are out for now including my presentation it has been uploaded in the site in both the external sites as well as the company’s website. This quarter was in terms of the numbers and revenues it was one of the best quarters i.e., our NIIs, the PBT, the PAT, the NIM, the ROA, the ROE all the numbers are best ever posted by CanFin. Our disbursements we have been in a position to hold onto 10% increase in the disbursements quarter on quarter that is Q1 of current year compared to the previous quarter. In previous years Q1 the loan book growth has been 23.5%, we have surpassed the 13,800 Crore loan book that we were planning for Q1 and if you see the numbers in terms of earnings. Earnings have gone up by 29%, expenses have gone up by 12% that is why the NII improved by 34% to 123 Crores and this NII growth has come mostly because of the loan book growth of 23.5% coupled with the cost of funds.

Cost of funds were down by 82 basis points year on year and yield on advances have dropped 32 basis points, the spread has improved, the margins have improved to 3.65% now compared to, it was 3.39% year ago, so 26 basis points it has dropped even sequentially compared to March 3.54% there is 11 basis points, the margins have gone up. Total income has gone up by 19% and expenses by 13%, cost income ratio added to the NII growth of 34%, the cost income ratio we have clocked best ever, we have gone down below 15% that is of 14.90, we have closed the quarter. For Q4 it was 17.02 and for the previous Q1 it was 17.8%. Operating profit is up by 37%, we had clocked 116.34 Crores, the PBT has gone up by 42% that is 111 Crores and the PAT is 71.22 Crores. Sequentially, it is almost a bit above the Q4 of last financial year, but if you see year on year, there is a 43% increase in PAT.

The ROA has gone up to 2.11%, first time we crossed the 2% mark, it was 1.84% in the corresponding quarter of previous year and it was 1.97% in March just a tad below the 2% mark,

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ROE has gone above 25%, we are at 25.54 now, where is 3.88% increase compared to 21.66% to the previous year and capital adequacy is strong enough 19.17%, it has improved because of higher earning being ploughed back and Tier I it is 16.7%. The average business per branch and per employee it has improved, per branch business has gone above 100 Crores now and it is at 102 Crores and currently business have gone up to 23.5% Crore, which is to be around 18.5 during the previous year at this time. Only one area where there is deviation from the normal is for which many questions have been asked. Asset quality continues to be our top priority I can assure. Q1 witnessed some deferred impact of the two months moratorium and that was in November, December as well post demonetization and there is another big component that was Section 269ST regarding the 2 lakh limit on cash transaction.

For the banks, the loans it was waived but as far as the NBFCs and HFCs are concerned, the clarification came a little later that it is per year two lakhs per account for individual or it is per EMI, now it has been clarified it as EMI. Gross NPAs, it has gone to 0.38% despite all the impact of the things happening around, the changes during Q3 – Q4 of last year till then in Q1 we have managed the gross NPA in terms of risk weight at 0.38%. It used to be 0.24% previously, net NPA 0.17% compared to 0.04 in previous June and the provision coverage is tad lower we have kept it at 55% in terms of our NPAs cost. We are confident these are the NPAs from 188 accounts amounting to 29.5 Crores as in March for recovery in Q1 so that we get the nine months period to get this account of our books, so that is how hard to recover. Part of the accounts will be upgraded by recovery and part of the accounts we plan to knock it off and these are the accounts particularly where the overdue continues to be over 60 days and the cost of freezing these accounts standard is much higher compared to the earnings that we make. 100% of my book is backed by mortgage, so it makes sense that we do invoke the SARFAESI or we take from recovery action, so that the accounts are kept standard, so if you want better March Q1 has to be little painful then only we can take action that is how we have a credit monitoring and recovery.

Committee of executive will pick this call and it is a concept this one we had made like the previous year. If you see the previous year as well the Q1 gross NPA percentage was little higher compared to the floating of the previous year, compared to March 2016 always June 2016 was substantially higher and that is how it goes. If the CanFin continues to have the mix of salary done, the 75% salary still they continue to rule and primarily we are into individual housing that is 88.5% is housing and around 11.5% is non-housing. The average ticket size continues to be around 18 lakhs and 9 lakhs. One thing very positive is the average rate of incremental borrowers during Q1 has come down a tad, it used to be 41 plus, it is now at around 40. I suppose that is all from my side and as far as the affordable housing segment is concerned still out of the new sanctions whatever we have made grace approvals are close to 1200 Crores, 95% of our approvals are in the income in



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the range of redefined affordable housing range, that is up to 18 lakhs annual income, in that up to 6 lakhs, the LIG segment constitutes around 53% and around 42% in MIG segment, that is how on the Q1 can be summed up.

One more thing I would like to before the question are asked by you, I want to clarify that disbursements compared to last year sequentially if you see Q4 and Q1 of current year, Q4 of last year our disbursements had slumped, for the quarter it had slumped to 3% year on year increase, Q4 of FY 2016 and Q4 of FY 2017 the growth was 3%, current year it is 10%, Q1 of FY2018 is up by 10% compared to Q1 of FY2017.

Similarly, the loan book growth if you see the Q4 increment, Q4 increment was compared to the FY2016 Q4, it was minus 16%, now that gap had been breached so there is a positive. We see positive things are changing. Now with RERA implementation clarity is emerging, states have enacted. It may take little more time to stabilize and things to come to normal on the business as usual, but we see lot of positives going forwards, so Q2, Q3 and Q4 the company is pretty confident that these are going to be better quarters compared to either Q4 of last year or Q1 of current year. It is because of the fundamentals of the company and our priority over asset quality that we have not run for a loan book at the cost of quality, I stand by that and the incremental whatever loan book we have created we are ensuring that all the checks and balances are fine tuned better oversight and better control is put in place. Let the loan book growth be a little slower when the market is not okay, but we believe that asset quality going forward for the long run asset quality have been the key that we are holding onto. Thank you, now I will be glad to take your questions.

Moderator: Thank you very Sir. Ladies and gentlemen, we will now begin with the question and answer session. We take the first question from the line of Sanket Chheda from IDFC Securities. Please go ahead.

Sanket Chheda: Sir, can you please repeat the comment on affordable housing segment?

S.K. Hota: For affordable housing what I told is if you remember CanFin had opened affordable housing loan centres in the last quarter and now there is number of affordable housing loan centre as well, we are marking few more, we had a plan of 30, as of now if you see my incremental loan book during Q1, 95% of that loan book is in the income range of that affordable redefined income range of up to 18 lakhs per annum, LIG is up to 6 lakhs annual income in that (it is 53% of the accounts are in that LIG segments and around 42% are in the MIG segment, MIG segment is more than 6 lakhs to 12 lakhs it is MIG1 and 12 lakhs to 18 lakhs is MIG2, so this is how the composition of the loan book is concerned. Why I am telling about this affordable housing our composition is because this is where going forward the demand is in. If you are planing for the housing for all by 2022 then this is



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the segment, where lot of stocks will be created. As of now, there are issues as far as supply side is concerned. Demand, there is no doubt the demand is going to come back.

Sanket Chheda: You said MIG is 53%, right?

S.K. Hota: MIG is 42% and LIG is 53%.

Sanket Chheda: Sir, that is all from me.

Moderator: Thank you. We take the next question from the line of Jatin K from Goldman Sachs Investment. Please go ahead.

Jatin K: Sir, congrats for a good set of results, one thing I wanted to know about is our sanctions and disbursements are both slow compared Y-on-Y, what would be reason for that? Is this is only this year?

S.K. Hota: I will tell you. If you see composition of my borrowers, CanFin primarily is a banker for the salaried and professional where 75% of the business comes from salaried class. The non-salaried is around 25% comes. Even in that non-salaried CanFin does not underwrite a proposal based on an informal income, so we do underwrite a proposal based on evidenced income only. That being the situation, you can take it primarily all my clientele base, all the borrowers are literates and I suppose the entire Q1 there were many press reports. There were many briefings, where there was lot of discussions with headlines why you should defer your home bank to July 1, 2017, so when somebody has got access to all these news reports that there is RERA coming. If he is well informed certainly people do defer their decisions. Otherwise despite the CLSS coming and despite Rs.2.65 lakhs, which accrues to you, upfront there is no reason as to why the disbursements are slower, so in many of this case particularly in southern states also, there, is still lack of clarity. Even today, I will say that clarity is not there as far as RERA is concerned. It may take maybe a month's time; July 1, 2017 was the cutoff date. Now that the rules have been enacted the RERA has come into place, but the thing is by the time the authorities state the websites are ready, people do register there in the website, and it may take little more time. This is a matter of time only, but people do defer their decisions, so when new reports are prompting to you to do so. That is one of the reasons, we see that disbursements and the loan book, fresh approvals were a tad lower, but despite all that as I gave you the example compare to Q4 things are looking up, things are far better. Q4 had part impact of demonetization there was two months moratorium given to the HFCs for the months of November and December that too has an impact on your asset quality because you deferred November and December, but what happens is January all the EMIs had become due to together and there is one more about the cash payment, you cannot say somebody has defaulted. He



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wants to pay one more EMI; you cannot pay in cash because there was embargo. Now that clarity has come already. Clarifications were received, but certainly things are looking up now, I do not see the Q1 numbers for us anyway as far as disbursements or disbursal approvals are concerned, these are lower because last year Q1 there was nothing, the business was as usual we had to sanction something like close to 1200 Crores and in this quarter, in Q1 of current year despite all things, the demonetizations coming, the RERA are coming, the changes coming in despite all that if we are matching the numbers we are happy about it.

Jatin K: Okay that is nice. Sir, after demonetization banks have got a lot of cash, so any competitive pressure were seen from banks on the demand side?

S.K. Hota: Certainly, it is there Sir, because as long as you are holding on to those extra cash the rate of interest raise is certainly going to put a lot of pressure, it is there and there is partially as far as the switch over of loans to those banks suffering lesser rate of interest is concerned that is also a thing, though some difference will remain Sir, we do not... It was there, now it is bit more intensified as the economy, the other sectors other than retail sector starts growing and the credit growth picked up certainly the things would improve in housing as well.

Jatin K: So any guidance on NIM do we expect them to compress or stay here?

S.K. Hota: Guidance on margins I have never been given, only thing is I am posting every time our performance, this quarter it has improved compared to Q4 let us see going forward how it is, so far I had presented in my presentation last 12 quarters, quarter on quarter all the data's.

Jatin K: That is it from my side Sir, thank you.

Moderator: Thank you. We take the next question from the line of Parag Jariwala from White Oak Capital. Please go ahead.

Parag Jariwala: What is the last participant was asking... so incrementally what rate we are charging for home loans?

S.K. Hota: For all the new home loans we are charging for the salaried we have risk based pricing in CanFin, for the best rate that we had is for the S1 category that is lowest risk category in salaried which are 8.5% and as far as LUS and GRS are concerned that is rural housing and urban housing are concerned our rate of interest is the best in market now, which is at 8.25% from July.

Parag Jariwala: Let see 8.25% is the lowest and what would be the highest?



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- S.K. Hota:** There is a gap on the amount on their conditions, once they are qualifying for the GRS plus LUS.
- Parag Jariwala:** But see on the higher side how much do you charge?
- S.K. Hota:** On the higher side, it is goes based on the risk rating Sir. If the risk rating is, it is 10 point odd is the highest, so if you want the details yes I can...
- Parag Jariwala:** Sir, you can just give me the blended yield, which you kind of earning or which you are charging in Q1 or probably for five, six months or etc?
- S.K. Hota:** I would like to tell you one thing is that overall yield of the company has been around 10.59% and only 10% of my incremental this one a non-housing, it is 88.5% is going to housing and 11.5% is to non-housing and 90% of Q1 numbers are into housing, so you can derive that it may be around 10% for housing and something around 12.5%, 13% on non-housing.
- Parag Jariwala:** This is average for the entire book, right?
- S.K. Hota:** Average for the entire book exactly you are right Sir.
- Parag Jariwala:** What rate we are borrowing right now I mean on an average?
- S.K. Hota:** On an average it is 7.84% sir, it used to be 8.65% in previous June and even last financial year if you see it was 8.35% for me, so there is a substantial dip because there is a new base for Q1, it is 7.84% of the incremental cost of borrowings for CanFin. The spreads have gone up and last year it was 2.61% now the spread is 2.75%.
- Parag Jariwala:** No but that you are comparing the average book with the incremental borrowing rate, that will not be the...?
- S.K. Hota:** No, I am not comparing with the incremental borrowing, I am comparing for the quarter on the entire book, average book what is there.
- Parag Jariwala:** Okay. Fair enough Sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Nishchint Chawathe from Kotak Securities. Please go ahead.
- Nishchint Chawathe:** Sir, in terms of your number of loans how many loans would you have dispersed this quarter?



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S.K. Hota: Number of loans you want?

Nishchint Chawathe: Yes.

S.K. Hota: It is 7200 loans.

Nishchint Chawathe: Sorry?

S.K. Hota: 7200 loans.

Nishchint Chawathe: 7200?

S.K. Hota: Yes.

Nishchint Chawathe: I was just curious you said that 95% of the disbursements qualify in the affordable segment, so you have...

S.K. Hota: New sanctions I told, not disbursements. New approvals

Nishchint Chawathe: 95% of the?

S.K. Hota: New sanctions

Nishchint Chawathe: Sanctions okay.

S.K. Hota: Any disbursement taking place might have been sanctioned at the previous year as well, I have told of all the new sanctions of these 7199 new sanctions. Of that the housing portfolio whatever it says because there has been non-housing component as well. Of the total housing, individual housing that we have lent of that 95% is in the income range up to 18 lakhs and 53% is in the range of up to 6 lakhs that is it may be more than 3 lakhs to 6 lakhs, because less than 3 lakhs annual income we don't have a big component, because we are not into that segment.

Nishchint Chawathe: So you would have applied for CLSS for all these loans?

S.K. Hota: Wherever they eligible yes, because for CLSS income is the not the lone criteria.

Nishchint Chawathe: That is right and any number you could share as to for how many loans did you apply and what is the current status on that?

S.K. Hota: The present number I do not have as of now, but certainly because it keeps on moving because we keep on claiming where ever there is a eligibility, it keeps on moving.

Nishchint Chawathe: Can I broadly say that out of these 7200 sanctions if 95% are eligible, 70%, 80% of it are...

S.K. Hota: 95% are in the income range, I don't they are eligible, because for eligibility there is a carpet area concept, there are other issues if it matches into that and somebody should be a first-time home loan buyer only, they should not be a second time, if somebody has availed one subsidy earlier is not entitled to a CLSS to be again.

Nishchint Chawathe: For any rough number, how many loans we would have applied during the quarter or so?

Atanu Bagchi: I do not want to put a guess number, I will tell a number it may not, of course we cannot because we have a spread department, if you would like you can just send across mail, we will give a reply.

Nishchint Chawathe: Sure I will talk to Mr Bagchi. Thank you very much.

S.K. Hota: Primarily what happens is what if CLSS or not, it does not really impact the company, because the benefit goes to the borrower directly. As far as my rate of interest is concerned, those accounts they are carry the same usual home loan rate. If I am charging 8.5 for an individual, it may be 8.5 even under CLSS; only thing is the loan liability comes down by 2.65 lakhs because he gets the subsidy upfront. It does not have any impact as far as my incomes my revenues are concerned. It creates demand that is all. That is the benefits for the financier whereas LRS and LES that has got an impact on my revenues because I get quicker loans under refinance.

Nishchint Chawathe: Okay. So great Sir, thank you very much.

Moderator: Thank you. We take the next question from the line of Utsav Gogirwar from Investec Capital. Please go ahead.

Utsav Gogirwar: Hello Sir congratulations on a great set of numbers. I have a couple of questions? Can you just talk about your branch expansion strategy because I believe you have added only five branches this quarter?

S K Hota: Six branches and head offices.

Utsav Gogirwar: So do you plan to add any more branches over the next three quarters or this is how?



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S K Hota: I have approvals for 11 branches and 10 satellite offices, so there are six more satellite offices and five more branches to go. We accepted therefore because when things normalize then we will because opening up the branch expansion is not that important for me as long as I need to liberate from the existing and we have plans we are growing. We are opening 21 new outlets during the year. 10 have been opened in Q1 itself. We will face it out.

Utsav Gogirwar: Sir if I look at the cost to income ratio, it has declined significantly in the Q1, do you see this kind of cost to income ratio for the rest of the year or do you think it will inch up any time? How do you look at it?

S K Hota: I would not give any guidance, but if you ask me this question was asked to me in the previous earnings call as well. I will tell that if I have got a set of new branches where I have already invested in the fixed cost and all, the manpower, and all those, if the branches start giving you the numbers and certainly the cost income is going to go down.

Utsav Gogirwar: Lastly Sir any colour or anything you want to talk about the right issues and stock split when do you plan to expect it to complete or how do you look at it?

S K Hota: Stock split is linked to the postal ballot Sir. It is already out because for the stock split there will be a change in the capital clause, so we are already on the process because we require the approval of the members. We are seeking that through the postal ballot. It will take some time and rights issue, it will come. We are expecting things to be there in the Q3 not now. It will take some time the regulatory issues and getting things in place.

Utsav Gogirwar: Okay Sir. Thank you Sir.

Moderator: Thank you. We take the next question from the line of Vishal Rampuria from HDFC Securities. Please go ahead.

Vishal Rampuria: Sir how much would be your marginal yield on the book for both homeland and non-home loan.

S K Hota: I do not have those split numbers, but my Q4 numbers are there last year's numbers we have posted and current year all the books are given. I think you can work out. My yield was 10.96. It has come down to 10.59 and the cost has come down from 8.35 to 7.84. This is compared to the last full year and current year first quarter, so you can work out.

Vishal Rampuria: Sir in terms of balance transfer, have you seen a trend where the trend of increasing your balance transfer has it gone up?



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S K Hota: Certainly I have got my limitations in reducing the rate of interest because I am not a bank. I do not have CASA, but simultaneously we had been in a position to contain our cost and wherever possible we are passing on the benefit to the borrower. We have been always I suppose from last one year this will be fifth reduction in the rate of interest that we have offered to 8.5% now because still the previous year it used to be...till March it used to be 8.95% even till May, June. That we have reduced to 8.5%. We are trying to be competitive in the market. Let us wait for the outflow because if you have already created an asset and if it goes out because creation of a credit asset it takes a really lot of lever.

Vishal Rampuria: Sir this rate of 8.5%, which you spoke about, it is for the new loan right, but in the current book as you mentioned the rate is around 10%. So do you plan to offer a lower rate to your current borrower also?

S K Hota: No Sir we have kept it risk rated, risk based, linked to the risk categorization and we will have to stick to that otherwise I will not be in a position to regulate. If my asset quality is better in the market compared to many others then certainly it is because we have kept it linked to the risk rate that if an asset is classified as within this for high risk then he has to pay a risk premium.

Vishal Rampuria: Yes Sir I am asking, see in case someone falls under S1 category or S2 category as you are offering a lower rate now to your new borrowers do you plan to offer the lower rate even to the old borrowers?

S K Hota: Sir we have on this account in my presentation I have mentioned one. I think CanFin is the first HFC, which has gone for an annual resetting mode. To be transparent with the borrower what I have told is normally in the HFC market what happens when the rate of interest goes up we take it on interest and when it goes down every time he has to come and he has to apply and if the investment charged then only we reduce. Now we have done it annual resetting that in the policy itself we have made a change to the borrower that the further switch over of accounts is contained. This is at par with many of the banks where they do... all other branches where MCLR link is there they do. We do not have MCLR-linked rate, but still we have offered that because we want loyal customers to be with us. If in the interim period, it means somebody availed a loan during the month of June all the people who have availed a loan during the month of June next year July 1 the loans will be automatically reset to the then prevailing rate for the risk category, but there is the annual risk categorization as well that is already built in, in our system.

Vishal Rampuria: Sir one more question to ask you on this Pranab Mantri Awas Yojana so of late have you seen a faster disbursement of subsidy from the government's side?



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- S K Hota:** Sir it is account by account, some eligible accounts are coming we are sending and most of the cases wherever we have submitted the things are fine and if there is no rejection then normally we are getting it within a month's time or so. There is no lag of that sort.
- Vishal Rampuria:** So just to reconfirm? You are saying within a month of filing of the application if the person is eligible you are getting the subsidy?
- S K Hota:** Yes normally the subsidy benefit, normally we are getting.
- Vishal Rampuria:** Just one more question to ask. You mentioned 7200 new loans sanction you have done in this quarter, so how many of these loans will be for first-time borrowers or first time purchase of home?
- S K Hota:** Primarily we lend to first time home loan buyers, but many a times what happens the properties in those affordable houses in PNA wages those will be qualifying for those area specification, carpet area specifications would not be there because earlier most of the constructions, even today many of the builders they want to disclose the carpet area wise or give a rate carpet area wise. They give super built up area wise for the common area. These things maybe it will take some time, but it is going to pick up. Things are getting sorted out gradually. The borrower themselves are there for the preference builders.
- Vishal Rampuria:** Sir typically in your case the kind of borrowers to whom you lend Sir typically they go for own plot purchase and they put their own house on their plot or typically they go for apartment?
- S K Hota:** In Metros, there is apartment where you cannot afford a site and construct you go for apartment, but still and almost it is a fair chunk of our portfolio, which are into individual construction that can be off country locations as well as in the periphery. If somebody is having a piece of land they do go for individual construction.
- Vishal Rampuria:** Okay Sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Bunty Chawla from B&K Securities. Please go ahead.
- Bunty Chawla:** Thank you Sir and congratulations on a good set of numbers. On the CLSS part you said you received the subsidy and you transferred to the account of the customer right, so will that reduce the loan part outstanding?
- S K Hota:** Yes it will reduce your loan amount. It will change your EMI.

Bunty Chawla: Changes the EMI and the loan part reduce, so will that impact if we are actually 95% of this we are going for the affordable housing?

S K Hota: No I wish my 95% were eligible.

Bunty Chawla: Yes that is true you have already told that, so will that impact any loan growth as such because 10% to 20% of your...?

S K Hota: I do not see degrowth for the Rs.2.35 lakhs. If somebody is getting really just you think of what will be the demand that will be created. I do not see that as a threat. The only thing is you are buying a house for Rs.20 lakh you get it for Rs.17.5 lakhs like that you can take got it that amount cheaper.

Bunty Chawla: One more any amount you can say on the subsidy amount, which you have received and you have transferred to the customer's account during this quarter?

S K Hota: It is an ongoing process Sir. I do not have the data, sorry. Right now I do not have that data.

Bunty Chawla: Thank you and best of luck Sir.

Moderator: Thank you. We take the next question from the line of Sangam Iyer from Subhkam Ventures. Please go ahead.

Sangam Iyer: Sir just going back to your presentation, we have mentioned that we are looking at budgeted loan book size of around Rs.17000 Crores at the exit of FY2018, so that is around 28% kind of a growth, so post Q1 are we still sticking to that number here or it is more like a vision?

S K Hota: No this one is different current year guidance once we have given Rs.17000 Crores we are not changing it because last year if you see my growth, we are almost on same lines. In Q1 number if you see it was almost on similar lines. There is no reason why I should change it. In Q2, Q3, and Q4, we are pretty hopeful that things are going to pick up and once it gains momentum it is going to be a good thing that can happen to housing segment.

Sangam Iyer: So from going back to your slide where disbursement and approvals particular slide is there we have seen in the last few quarters things have slowed down with demonetisation and other things, things have slowed considerably both intentionally as well as the market conditions, but given that now with RERA act also coming into this, do we see a pent-up pickup in this approval coming in because at one point of time we used to have a disbursement growth, which was pretty strong,

which had come down, so going forward given the last two to three quarters would there be a catch up that one should envisaging here going forward say in the coming quarters and then into FY2019?

S K Hota: Something is deliberate and something is market driven. I will say yes, RERA has got an impact on Q1 because of lack of clarity because things are coming. Once people know that yes that RERA is coming from July 1, 2017 they prefer to wait rather than going in and buying a house. When everybody else also the experts are telling wait till Jul 1, 2017. Why should we wait for July 1 for buying your home? Then naturally nobody will go for that if he is well informed. They will wait for July 1, 2017. That is what I am telling. So that way I presented one more thing to you this fresh approvals, despite all these things with my fresh approvals we are in a position to hold onto that Rs.1200 Crores for Q1 then Q2, Q3, and Q4 if you add up my last year's disbursement it adds up to Rs.17000 Crores. So I am not worried about that.

Sangam Iyer: Great Sir secondly the benefit of the repricing is yet to be visible in this quarter in terms of the average cost of borrowing coming down, so to a large extent on a sequential basis, so is this going to be visible Q2 onwards or was there because in the average cost of borrowing when I look at it, they are just stating 7 to 8 bps differential sequentially?

S K Hota: You are comparing with what Sir?

Sangam Iyer: Q4 cost of borrowing and Q1 cost of borrowing, so I was just trying to understand whether there is any further benefit of this NHB repricing, etc., coming into the average cost of borrowing coming down father?

S K Hota: Yes certainly with every borrowing maturing or being repriced, it has picked a positive and still in Q1, we are holding on to many of such borrowings where the rate of interest was a bit higher and if you see the marginal cost, the MCLR of the bank that is the way it has gone, the entire MCLR because I do not depend entirely on the bank borrowings Sir. One fair reduction is there certainly it has got an impact, so the entire thing would not be...unlike the cost reduction in the bank because they have got CASA and issues growth in CASA fund. There is a substantial decline that is not so for me because they cannot lend me below their MCLR. That is how if you should see my exposure to the money market, my borrowings from the money market has increased. With that only the incremental part is carrying a lower cost, so as long as I am not in a position to knock off those high costs or either it matures or I am in a position to pay back something.



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- Sangam Iyer:** Got it. Sir from that perspective one way to understand from the overall borrowing that we have what percentage of it would actually come in for repricing this financial year, so that we can get some idea as to what kind of benefit that one is getting?
- S K Hota:** It will be Sir, you can. All my money markets borrowings you can go to my annual report and find out what is there.
- Sangam Iyer:** Sir on the yield on advances the reset that we spoke about, an annual reset, so did Q1 see the first impact of that annual reset coming through?
- S K Hota:** The first reset it has happened and many are still happening. It will be there, but it is going to improve the customer confidence as well as loyalty being rewarded by the company. So I expect that that is going to attract more people into CanFin.
- Sangam Iyer:** Got it. Sir in terms of the growth driving features levers going forward this post GST many of this the non-salaried class loans, etc., wherein we were not participating in a very big way could actually come under the tax filing brackets, etc., so would there be also a huge spurt of shift of these customers from high cost borrowings from other NBFCs to people like us where there is a differential of almost 400 basis points in the average yields that they pay. Do you see that also as a big kicker coming in the coming months?
- S K Hota:** I see a positive for me that once the tax base widens there would be manifold in the SENP segment that are not in the formal economy now. They will come into the formal this one of filing returns or evidence in their keeping proper books, so that they will be customers or we can fund them as per our policy. As of now, my policy provided if something is not evidenced, I do not allow my branches to do that.
- Sangam Iyer:** That is precisely my point Sir that would actually expand your price significantly?
- S K Hota:** It will increase tax base, SENP base as well as the salaried base as well Sir because the salaried income growth as I told you they are waiting. It is something, which is a deferred buying only, which I foresee personally if you ask me in the market I can say that yes Q2, Q3, and Q4 going forward. If FY2018 is not seeing a decent growth 2022, I do not know there will be a big lag.
- Sangam Iyer:** Got it. So just given that this kind of a bi-expansion is happening, so when we have a vision of the 2020 of Rs.35000 Crores that we have so how should that actually envisage a 30% to 35% kind of a CAGR going forward. So do you see that given this kind of a tailwind that is coming in mostly in

our favor that kind of a vision could be now more achievable given the expansion of bi and the tailwind, which would be more in the favor of price like this?

S K Hota: Always vision is a vision. It is a five-year document adopted in 2014 for 2020. There is no reason as to why I should either put it aside or anyway say that it is not achievable because nobody knows the way things are changing, which is very fast changing. The government and the initiatives from the government side have announced the improvements that have come in the industry, the positives those. These things were not there earlier. So you never know really whether it is going to be 2020 or it is going to happen a quarter before or a year before or it is going to take a year more. No matter as long as I stick onto my stand that as long as the recent document gives me a kick it is okay for me. Annually I will keep on giving you guidance and I hold on to my Rs.17000 Crores of loan book guidance that we have given for FY2018.

Sangam Iyer: So going into the second quarter now that we are almost into the end of this current month and almost one month into RERA activation how do we see the enquiries and the pickup happening. Could you throw some flavour in terms of how things have improved or whether they have improved and what is the kind of outlook that we are looking at here?

S K Hota: Certainly things have improved much faster where the rise already set in.

Sangam Iyer: So the 20 days are as you would say?

S K Hota: Where ever, I told you that in all those states where there is clarity about RERA and there are projects, which are compliant to RERA people have got, because it improves the customer confidence.

Sangam Iyer: So both enquiry and this thing have improved at least in the 20 days.

S K Hota: Both states are doing very good I am telling you.

Sangam Iyer: Great Sir and all the best.

Moderator: Thank you. We take the next question from the line of Adesh Mehta from Ambit Capital. Please go ahead.

Adesh Mehta: Sir Congratulations on a good set of numbers. Sir in terms of gross NPAs from this Rs.52 Crore odd NPAs how much could be due to DeMon?

S K Hota:

It is not due to DeMon. It is not exactly due to demon, but what happens is there will be a fraction of accounts where there will be a small percentage of that. I have disclosed what the slippage is during the quarter. I have told 188 accounts are the amounting to Rs.29.5 Crores, which we have not recovered during this quarter and that is the increment if you see quarter on quarter from 27.90 to 52.30. Partly because if you defer two installments, so then what happens is, it becomes really difficult for the borrower to again get back to normalcy because the money that is not paid into the bank gets spent. Once it gets spent anybody whether it is a salaried class or whether it is maybe it is much more favorable for a business class, but it is difficult for a salaried class, but if there is a default and he wants to pay during the month either you take the money or otherwise it is gone. So if you ask somebody to service two to three EMIs together, it becomes difficult, but for the bank it was really five months. For HFCs we had two months that moratorium for November and December. The banks go ahead up to March. So I do not know how what experience they have and how they are facing the trouble now because this was not restructured. It was not that those five installment or those two EMIs for the HFCs are waved. Those are payable. Only thing is the payment date was deferred because people were finding it difficult to get into the bank and pay cash. If the money is spent certainly it has got an impact, but that it is not a big chunk. Of these accounts these Rs.29.5 Crores under 188 accounts what we have marked for recovery during Q1, it is a strategic policy decision we have taken. Every year if you see my Q1 always the quantum wise it will be much higher. Percentage wise also it will be little higher. Even last year it was from 0.17% to 0.26% has gone up. 0.19% to 0.24% in the previous year, so this Q1 increases this year it is a little higher because we want to mark those accounts as NPA and mark for recovery means essentials will be initiated or the borrower's due is to be recovered, not to keep these accounts with two months overdue amount and every month you keep on pressing your people on recovery in the month, servicing cost due. Keeping these accounts standard that is a costly affair, so it is better to knock off.

Adesh Mehta:

So Sir would we be seeing this happening even in salaried loans. I am actually quite a bit surprised that even salaried borrowers are exhibiting this kind of behavior?

S K Hota:

Sir if somebody wants to pay, it does not discriminate between salaried and non salaried. We have taken lot many measures in the company as far as the loan appraisal and loan sanction mechanism is concerned because earlier branches were empowered to sanction any risk category loan. Now all the S3 category wherever risk is higher that has been centralized that without the corporate office clearance they cannot disburse. Those things have been brought in. They are trying to... last year we started our regional structure. We made five clusters in Chennai, Hyderabad, Mumbai, Bangalore, and Delhi for better oversight. So wherever possible, we are tightening our business, so that as it grows. If you want to hold on to your asset quality, certainly you need to toil extra, but

wherever that extra toil is costly it is always you knock off those accounts from your books and if you have to do that even if you take even if you take for that matter 60 days notice period. So if you do not anything at earlier we are not going to get your money realized.

Adesh Mehta: I agree and Sir I just wanted to know what percentage of our loan origination could be from resale and from self construction?

S K Hota: I do not have the exact number of self construction it may be close to double digit maybe around 9%, 10%, or 12% it maybe around that level only not higher. But when it comes to the resale we are not that big into the resale really, because we are mostly into primary sales that are where one of the states in Tamil Nadu even in North I had told you in the last quarter. Since we are to have primary sales registration, there is an high court case going on, so let us see that also has an impact because I source around 17%, 18% of my business from Tamil Nadu.

Adesh Mehta: Okay, so basically 19% of our origination is primary?

S K Hota: It is into primary sales and it is into first-time home loan buyers.

Adesh Mehta: Okay Sir. Thank you very much. Wish you all the best Sir.

Moderator: Thank you. We will take the next question from the line of Vishal Singhania an Individual Investor. Please go ahead.

Vishal Singhania: Congratulations for a good set of numbers. Sir I wanted to ask in the interview you mentioned that our ROE has already crossed 25%?

S K Hota: Pardon.

Vishal Singhania: In the interview you mentioned that our ROE has already crossed 25%.

S K Hota: It is 25.54, first time we crossed 25% ROE.

Vishal Singhania: Since we are also raising capital towards this year, so after the capital is raised when do we reach back to these kinds of ROE levels, how long will take for us to reach...?

S K Hota: Let us see, Because the quantum of fiscal that we are proposing to raise is up to Rs.1000 Crores that is the permission I have from the board and we are going through the raise route, so if the company continues to as much say the investor say, all of you have in the company the company

wants to reward the investors and to be with the existing investor plan. As far as the depression is concerned, I do not think the ROE will be depressed in a significant way, because the dilution will be very, very minimal. If you work out how many shares I need issue afresh to raise that Rs.1000 Crores, it is not a significant number and why you are raising capital is again not because of capital adequacy. My capital adequacy is already 19% plus. Why I am raising capital is for a higher borrowing power, because going forward are better leverage.

Vishal Singhania:

Okay.

S K Hota:

The leverage ratio to the debt equity, right now the leverage ratio is 11% odd that we want to bring it down.

Vishal Singhania:

Yes Sir. Does it signify better opportunity?

S K Hota:

You should have adequate borrowing capability, so that when growth comes it should not be searching around. There is limitation for borrowing that is it.

Vishal Singhania:

Are you anticipating even better growth opportunity ahead, even higher growth rates ahead?

S K Hota:

Naturally if 2022 has to happen, if housing for all has to happen anyway by 2022 as to account of my stand that yes FY2018 should be the pickup phase. This year it should start showing up the growth rates should start picking up. There are supply side issues in this segment particularly in the affordable segment where demand is there. If CLSS creates a demand in the LIG and lower MIG segment, but even today in the Metros, you do not find the property in those affordable prices. So as the supply side is getting addressed certainly it is going to pickup and 19, 20s should see the peak really. And 2021-2022 it should be somewhere we should consolidate for funding the left over then only housing for all is possible.

Vishal Singhania:

Thank you Sir. That is it from my side. Wish you all the best.

Moderator:

Thank you. We will take the next question from the line of Parees Purohit from IDFC Securities. Please go ahead.

Parees Purohit:

Good afternoon Sir. Thank you for taking my question. Basically two broad questions; one is just referring to I think it only a participants question in terms of the borrowing profile. You mentioned that you are seeing a lot of competition from banks in terms of pre-pricing of loans and the two; three smaller banks which have reported so far are all posting very strong CASA growth which want to believe that as the CASA enables them to bring down MCLR. The ability for them to

reprice their loans lower would be a lot faster compared to our ability to rejig our borrowing profile. So I just wanted to understand your broad thoughts in terms of how you see competition against banks and what we can do to fight with the pricing pressure and the second question I just wanted to understand a little bit on the credit linked subsidy scheme, the CLSS the way you account for it so as I understand like you mentioned there are large number of loans which you give to the MIG and LIG of which not all of them are eligible for the subsidies. But in terms of how we price these loans, because you said that rate does not change. The only accounting difference is that there is a prepayment, which the subsidy comes in. So would not that effect the IRR of these loans, should we price them differently compared to the rest of the book and if you can just help understand how we price that set of loans?

S K Hota:

I will answer your second question first Sir. As far as pricing is concerned, there is no difference because as per the scheme it allows the company to charge the prevailing rate. So it is like any other housing loan and wherever there is somebody's eligibility is there you demand. We will send a claim. Once we get the claim it gets credited to his account. To be extent that the margins or whatever they had. Somebody borrows Rs.20 lakhs, of the Rs.20 lakhs if you get Rs.2.5 lakhs or Rs.2.65 lakhs by that extent the principle liability comes down and EMI is recast. As far as company is concerned, always anybody can suppose somebody is entitled to 20% margin, she can always say 50%, if somebody is entitled to Rs.25 lakhs loan, he can always avail Rs.20 lakhs little less. Here the customer is benefitted that he gets a subsidy and these things are not always that anyway the company or the banks will be impacted, because my net outgo will be only thing is okay to the extent of the subsidy it comes upfront may be in a month, two months' time, the principle liability gets reduced by that, typically it will not be that huge a sum, because this is going to create a demand if I am disbursing Rs.1200 Crores, if I am sanctioning a fresh approval for Rs.1200 Crores now, it is going to go upfront that is going to cover. If demand is there supply side, I told supply side issues are there in that particular segment. That carpet area specifications, those qualifying norms. If somebody is in that income range otherwise they are entitled to and going forward if the supply side is address, the government has gone enough in that area as well for supply side improvement. The rate of interest for builder loan under affordable housing is different compared to a normal this one till then where you see the household stocks and over supplies in the higher segment that is in the Rs.70 lakhs, Rs.80 lakhs range in the Metros. We do not fund, I do not have such a portfolio really we do not fund to those borrowers, they are not our clients.

Parees Purohit:

Actually what I wanted to understand is do you price these loans differently because the way I understand some of the subsidies that in the smaller ticket sizes almost 50% potentially can come back to you, so does that effect, so do we price these loans differently because the borrowers in sensitive or less sensitive to a slightly higher rate is that opportunity to get a better yield?

S K Hota: I do not have preference over somebody who is eligible for CLSS if risk rating is not okay, because the remainder balance has to stay with me. It is not that somebody will get really qualified for 60% anyway they would not get and the thing is I do not have the preference for somebody who is entitled to that subsidy and where risk rating not okay, not that. Our price is always based on risk rating if somebody's risk rating, it is without in a reference to whether it qualifies for CLSS or not. Secondly, but I think it is different if somebody is taking a loan, if somebody qualifies for a loan under GRHS that is under rural housing scheme or under urban housing scheme, because there I have got a refinance from ministry which is the rate for me and I get a fixed margin in those.

Parees Purohit: When the subsidy comes your LTV will also drop in a big way, so I am just trying to understand how you approach that, but I think you have answered the question? Sir just your thoughts on how we can compete with banks against funding?

S K Hota: This is a million dollar question Sir. We are all fighting for that certainly because NBFC and HFCs we do not have access to CASA, so naturally I cannot aspire to have those cost of funds and I cannot compete but despite all those things, we are trying the reverse approvals where we are in a position to afford like rural housing and urban housing, we are trying to encourage those small tickets where I get a refinance eligibility that is how I can manage my cost and other thing is CFO is sitting with Mr. Bagchi, he is going a good job, cost of funds have come down substantially and wherever possible we are trying to reprice our existing loans and borrowings so that we can match the rate that is how for the salaried class, for the best asset class we have given 8.5% brought it down, but still then we are not the best in the market. You get a housing loan for 8.35% if I retain somebody then naturally he has to pay me that at least 0.15% premium for the service that I render.

Parees Purohit: All right Sir. Thank you.

S K Hota: It is unfortunate part of the game.

Parees Purohit: I understand the challenge and I think like you said you have done a good job I think year-on-year and we are doing what we can but the concern was is it enough and how much will it hurt, but...

S K Hota: One thing I can assure is certainly this growth of 28%, 30% is doable but when things are not okay in the sense when the natural growth of the market is not that much we do not want to grow at those rates because quality may suffer, so we have tighten the quality. The quality aspect part we have been much more it is a bigger priority for us compared to the loan book growth.

Parees Purohit: Sure Sir. I Understood. Thank you so much Sir and all the best.



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Moderator: Thank you. We will take the next question from the line of Pritesh Chheda from Lucky Investment Managers. Please go ahead.

Pritesh Chheda: Sir I joined the call little bit late. I just want to understand the incremental borrowing cost for us and incremental yields for us on the incremental portfolio and second when I was looking at your presentation how much of the market borrowing that we have done has CP as a constituent in the short-term commercial papers.

S K Hota: One thing is incremental cost and yield I do not have. I can tell you that for the Q1 compared to last year, the yield has come down from 10.96% for Q4 of last year that is March 2017 to 10.59% now and the yield has come down from 10.96% to 10.59% and cost has reduced to 7.84% this is to be 8.35% for last year and the trade has improved to 2.75% from 2.61% for FY2017. So there is an improvement as far as the incremental for the quarter is concerned I think you can reduce the numbers and the margins have gone up. The margins continued to expand from 11 basis points it has grown up from 3.54% to 3.65%. You were asking about what is the composition of CP and MCD I can tell out of the market borrowings as of now 52% is the market borrowing part of NSB borrowing compared to last year has gone to market borrowing now and our borrowing from banks it remains around 19%, 20%, deposits are around 2%, continues to be. Of the money market borrowing, the CP is always we are keep as something around 17%, 18%, 19% not more than that.

Pritesh Chheda: 19%, so basically 52% is broken up as 19% and the residual 52% minus 19% that is how it is.

S K Hota: The precise number will be something like 17%, 18%, 19% in that range it is always less than 20%.

Pritesh Chheda: Is it 18% of 52% or is it 18% of total?

S K Hota: 18% of total I am telling, I am giving the basic of...

Pritesh Chheda: Okay. Thank you Sir.

Moderator: Thank you. We will take the next question from the line of Rohan Mandora from Equirus Securities. Please go ahead.

Rohan Mandora: Thank you Sir for the opportunity. It is like to understand that the annual risk-based pricing that you have indicated, so from the borrower do we collect documents in terms of income statement as well as the other loans that they would have avail on an annual basis to assess the risk in it?



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- S K Hota:** The annual risk rating is based on the repayment track record and the CIBIL data; fundamental CIBIL data whatever is we can draw it again, so you will come to know.
- Rohan Mandora:** So it will be based on that only. The other thing is that like DSA commission if you look at for the past four quarters it has been declining, so is it just because of market conditions or is there is some change in sourcing strategy that we have done?
- S K Hota:** No, we have not changed the rate. The rates remain the same and the DSAs contribution as far as their portion of new loans it is gradually really coming down; coming down in the sense we are giving some priority to our direct marketing. Their contribution we are trying to contain at less than 50% for the quarter it is really and if you see the quantum wise compared to last year it is to be 2.21 Crores for DSA commission, this time it is only 2.15 Crores.
- Rohan Mandora:** Right, so currently DSA sourcing will be close to 50% is what you are indicating?
- S K Hota:** There is no increase in DSAs. The commission payout is not in so really.
- Rohan Mandora:** But the share of loans in that the new loans that we are sourcing out of that the loan source via DSA would be 50% of the total loan. Would that be fair enough?
- S K Hota:** It is less than 50%, it is used to bit above 50, tad above 50 for last year, but current quarter we have kept it at less than 50 because we have tightened our norms and we are encouraging our employees to go out and market more.
- Rohan Mandora:** The subsidy amount that we get under payment by CLSS, so that amount once it is credited to the borrowers account, so do we adjust that EMI to incorporate us or do we reduce the tenure of the loan? How do we?
- S K Hota:** Once the principal comes down, the borrower can continue with this tenure and the EMI can reduce.
- Rohan Mandora:** So the EMIs are getting reduced.
- S K Hota:** It can be, really we have explored the option. If somebody wants to service the higher EMI he always can, but it is many people they choose to reduce the EMI as well, either options are available to the borrower.

- Rohan Mandora:** With respect to the borrowing profile, would it be fair to assume that whatever the NHB borrowing limits we have, we would be realizing them almost fully. There will not be much scope to borrow from NHB further?
- S K Hota:** No, I have got honorable limits even from NHB, substantial amount.
- Rohan Mandora:** And Sir what will be that amount?
- S K Hota:** I am sorry, I will not disclose those numbers Sir, but there is substantial line of credit rating from NHB is available depending on the rates we do take a call.
- Rohan Mandora:** So, can you expect some of that will be utilized during the current year FY2018?
- S K Hota:** If it is available, certainly we will Sir; if the banks can reduce their MCLR then I will avail from banks also. Who ever is reducing; who ever offer me the best rating we are going with that Sir.
- Rohan Mandora:** Sure Sir. Thanks a lot Sir.
- Moderator:** Thank you. We will take the next question from the line of Nirmal Bari from Sameksha Capital. Please go ahead.
- Nirmal Bari:** Thanks for taking my question. My first question is on the NPAs, we have reported 0.38% as NPAs, and would it be possible to split it between the salaried and non-salaried customers?
- S K Hota:** I do not have the data, but it is not that so significant really I think the difference is a little number, that is what it goes by somebody's intentions and somebody's risk rating that is why somebody asked me a question on the self-employed proportion is going to go up. Nobody can say if I get S1 category under SENP, self-employed or non-professional, I will prefer S1 under SENP to S2 or S3 in a high-risk category guy from salaried class.
- Nirmal Bari:** Okay.
- S K Hota:** It does not make much difference really and there is no such distant that the rate of delinquency or the nature of people defaulting is different.
- Nirmal Bari:** Okay and Sir secondly we have had this annual reset thing of rate of interest, so is it applicable to the new borrowers or is it applicable to all the borrowers that we have had?

- S K Hota:** In all the existing borrowers, we have communicated to them officially that they will have to sign a link letter because the existing agreement does not allow, so we have asked them to sign a link letter and give us the authorization. But once they reduced now all the loans that are taken now during a month or reset during the current month. As of now the first time resetting they will have to pay the IIC, interest investment charge and get it done subsequent to all annual resetting will be automatic without a cost. But during the year period that tenure before the annual resetting anniversary, month ends if somebody wants to avail, suppose there is a rate of interest reduction and he wants to that he has to pay the IIC, interest investment charge.
- Nirmal Bari:** Okay and Sir in the case of CLSS you said that the option of reducing EMI as well as reducing the time period both are available, but is not there a class under CLSS which states that if there is prepayment of loan the amount of subsidy would be reduced?
- S K Hota:** The amount of subsidy is automatically, it reduces your principle, but it does not take away your tenure that you are entitled to.
- Nirmal Bari:** Okay, so if that 20-year loan under CLSS get paid in 10 years and customer would not be...
- S K Hota:** Customer can... that is what I am telling; customer can always avail a lower EMI and continue for the 20 years.
- Nirmal Bari:** Okay, but if he pays it in a shorter period of time, there would not be any repercussions as in the NHB would not be?
- S K Hota:** I think CLSS has threatened in some states even as of now, I think may be after two, three quarters if it picks and I have got a volume of CLSS and we have that experience I think that would be nice. I think a lot of questions on CLSS, but I too have all those anxieties and all those situations to arise really when I will be in a position to answer.
- Nirmal Bari:** Okay. Thanks. That was all.
- Moderator:** Thank you. Ladies and gentlemen we will take the last question now. We will take the question from the line of HR Gala from Panav Advisors. Please go ahead.
- HR Gala:** Congratulations for a good set of numbers. I just wanted to know was there any particular reason that unlike in past we did not make our net NPA nil like one of the reasons you have sighted is Rs.29.4 Crore worth of loans are marked for recovery. Was that the reason why you have kept Rs.23 Crores uncovered?



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- S K Hota:** Uncovered is wherever I am confident that I am going to recover this before the year end why should I sit aside out of my...?
- HR Gala:** That was the only reason?
- S K Hota:** Yes, it does not make sense really.
- HR Gala:** I think as you rightly said that you would not like asset quality to suffer may be then probably we may or may not be able to reach 17000-mark or 35000-mark. Is that correct reading of your current thinking?
- S K Hota:** I do not see any reason really because this Q1 growth is like this I did this, you can add up my numbers last year quarter-on-quarter. If my Q1 numbers are the fresh approvals and disbursements are better than last year. If there is a 10% in increment in disbursement and we are holding onto the fresh approvals, I do not see any reason why Rs.17000 Crores should not be possible, because it is modest growth rate that we have. As of now I do not change my guidance. If at all such situation arises or something wrong happens going forward in the industry then...that way it is good Sir.
- HR Gala:** Okay, fine. Thank you very much. All the best.
- Moderator:** Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Ms. Ritika Dua from Elara Securities Private Limited for closing comments.
- Ritika Dua:** On behalf of Elara Securities I would like to thank everyone who attended the call today and especially to the management of CanFin Homes for giving us the opportunity to host the call. Thank you and have a good evening everyone.
- S K Hota:** Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen on behalf of Elara Securities Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.