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Ladies and gentlemen, good day, and welcome to the Can Fin Homes Limited Q2 FY '19 Earnings Conference Call hosted by Investec Capital Services. (Operator Instructions) Please note that this conference is being recorded. I would now like to hand the conference over to Mr. [Utsav Gogirwar] from Investec Capital Services. Thank you, and over to you, sir.

Thanks, [Janet]. Good morning, all. Welcome to the Quarter 2 FY '19 Earnings Conference Call of Can Fin Homes Limited. To discuss the financial performance of Can Fin Homes Limited, and to address your queries, we have with us today Mr. Sarada Kumar Hota, Managing Director of Can Fin Homes; Mr. Shreekant Bhandinad, Deputy Managing Director; and Mr. Atanu Bagchi, CFO and DGM. I would now like to hand over the call to Mr. Hota for his opening comments. Over to you sir.

Yes, thanks, [Utsav]. Good morning. Quarter 2 for Can Fin, it has been one of the finest quarters since the recent past. Mainly, because we have seen we are clear of (inaudible) in terms of the (inaudible) plan from the (inaudible) as well as in terms of the INR 100 crore (inaudible). If you see the disbursement for the first time in the same quarter the quarterly disbursement has been a 7% increased year-on-year, and sequentially the (inaudible) have gone up by almost 20% [to] 26%. And the disbursements have gone up by 24%. In terms of the incremental growth in our loan book, it has been for current quarter, it has gone up from INR 16,200 crore to something like INR 16,935 crore, almost -- we are just behind INR 17,000 crore mark. And the incremental growth for the current quarter has been in the range of something like INR 740 crore. Compared to previous year, quarter 2 was INR 680 crore. In recent past, this number was lingering around INR 500 crore, for quarter 1 it was just INR 453 crore, compared to that, if you see there is an increase of something like almost 60% -- 63% rise over the quarter 1 in terms of incremental growth in the loan book. The year-on-year growth still remains for period something like 17.1%. That is because the usual repayments and the rundown on our book was a bit on higher side till quarter 2, which, going forward, we strongly expect that this won't equal that. And those loans which have been (inaudible) and the new approvals, new disbursements in quarter 3, which usually happens to be the best quarter of the year for home lending because of the festive season that starts with Dussehra, and through Diwali it ramps up to Christmas and the new year. And the spillover impact will be there in quarter 4 for the (inaudible) that has been made in quarter 2 as well. So quarter 3, quarter 4, we expect that this would have the (inaudible) over growth for campaign in terms of the loan book growth. While coming to the numbers, the income has gone up by something like 12% for the quarter. Expenditure -- the interest expenditure has gone up by almost 13%. This was primarily on account of rising cost of funds, yes. Rising cost of funds, we have been witnessing since last 2 or 3 quarters, particularly for the rise in bond yields, yes. But in recent times, so we have moved most of our market borrowings. Those mature, that has been replaced by the bank lending. Or going forward, we are planning to do a lot of those market borrowings in terms of bank, borrowing both from the bank as well as from the (inaudible) that we consider as part of the bank (inaudible). The cost of funds has gone up sequentially, compared to -- from quarter 1, it was something like 7.73%, now in September it is 7.83%. So there is a clear trend at this point increasing the cost of funds. But this is -- the percent -- the June quarter for cost of funds was for 3 months. If you did the 3 months standalone, cost of funds for quarter 2 would be 7.93%, there is a rise of 20 basis points. Whereas the yield remains almost around (inaudible) 10%, it is through this marginal drop to [9.9%] for the quarter also it is (inaudible) to almost (inaudible). So the spread is reduced by -- from 2.27% for quarter 1 to something like [2.16%] (inaudible) December, and for the quarter almost there is a 20 basis point (inaudible), whereas margins, we are in a position to hold on. That is because of the good disbursement as well as most of the -- if there is a little thing (inaudible) in the amount of growth that will come from the nonhousing portfolio as well. The nonhousing portfolio is primarily (inaudible), as you have seen, there is a small increase in our -- the [billable] book. It has been a INR 10 crore book now, even though it amounts to something like 0.06% or something like that. But there is the company has been making the (inaudible) very affordable the builder loan book of short-term finance that the customers are -- they are already with Can Fin for quite long. And those who are launching (inaudible). So when it comes to the growth plan, the company who has restricted it well (inaudible) if it is housing, it is affordable, if it is nonhousing, it is primarily into those small tickets around INR 7 lakh, INR 8 lakh (inaudible) consumer loans, (inaudible) loans or (inaudible) INR 3 crore, INR 4 crore, INR 5 crore those sort of builder loans.

In terms of the [NIA], NIA is depressed because of the drop in the increase in the funding cost, that has been the cost of funds. The interest expenditure that we have incurred during the quarter, interest expenditure, as I told you, interest expenditure has gone up by 18%, interest income has gone up by 12% that is reflected in terms of NIA growth. But despite that, thanks to the very good operating efficiency of the company that we have been (inaudible) to maintain our cost income ratio that increased further to below [14%] because in quarter 2 14% (inaudible) now. And that has helped us

improve our both PBT as well as the PAT. The PAT growth for the quarter is something like 8%, the quarterly number. For the year, it is something like 9%. And the PBT growth for the quarter, it is 12% and for the half year it is 9%.

As far as the [receivables] are concerned, the receipts have been fairly good. We have been in a position to hold onto the margins, ROE all around the level that there has been no [dictation] in terms of the financials this year, in terms of [ATA]. Or there is a strong improvement in the gross NPA as well as the net NPA level. Gross NPA has improved from [0.66% to 0.63%]. Net NPA has been improved from [0.44% to 0.42%]. And the (inaudible) has improved, I guess, around 10% and 10.2% or so. CRAR, it has become stronger and stronger, it is at 9.07% now, (inaudible) 17.16%.

[If you] see, the company has opened new branches during the quarter, almost 20 branches. And all the branches are primarily (inaudible) to one (inaudible) in Bangalore, as [far] in (inaudible) entire (inaudible) [positive].

And for the first time, we have entered (inaudible) that we will open the branches (inaudible), and we open the (inaudible) in Punjab. So right now, the company covers 19 states and Indian territories. It is very well (inaudible). 21 states and Indian territories, all together.

As far as the composition of the book and the quality of lending (inaudible) it is restricted to our [mixed] segment of LIG and lower MIG assessment only.

A very strong positive going forward for quarter 3 and quarter 4. I'd like to say that the company has introduced 2 new products under affordable housing, one is for Airtel Urban and one is Airtel Rural.

This will be the substitute for the Airtel Rural housing and urban housing where we can grow refinance from NHB and we will enjoy the 3% or 3.5% margin in those (inaudible). So these are 2 new products where we (inaudible) that going forward, which we'll help the loan book growth as well as the cost of funds in a very significant manner.

In terms of our recovery report, you have seen that -- I have told that there is an improvement in terms of the (inaudible). But on ground, quarter 1 net (inaudible) almost [INR 600] and [odd] cases are [INR 500] (inaudible). Out of the INR 107 crore of NPA, it is almost INR 99 crore, almost close to INR 100 crore which qualifies for (inaudible). While (inaudible) can be removed, all the (inaudible). And during this particular quarter, we have sold [14] properties for something like close to INR 3 crore. And [233] become part of the [PTS1] amounting to around INR 38 crore has been upgraded. As far as provision [head] is concern, the [window] we have migrated to in [there] the Managing Director needs whatever is there under [Iraq], the historical NPL norm (inaudible) has still maintained minimum. So that case, for NPA's (inaudible) something like INR 35 crore, INR 35.31 crore. We are maintaining the provision of around [INR 33.87 crore] (inaudible). Similarly for standard assets, the requirement is INR 56 crore. We are holding something like INR 55 crore. So the company hold -- is holding a provision of almost INR 100.6 crore as of now.

This is all from my side. I think, the composite [churn rate], it continues to be 90% -- 90.1% housing and 9.9% nonhousing. Out of the outstanding loan book, the (inaudible) is still at above 72%, and out of the 3 [tranches] it is something like 1/3 (inaudible), 2/3 is salary and 1/3 is non-salary.

(inaudible) gradually. It contributes to a -- the non (inaudible) has been increasing for us till 2016, which is (inaudible) like 23%, and now it has altered to 32%. That is the contribution in terms of (inaudible).

The realty for the new approvals and the loans that we create, as I told, it is mostly under [LLC]. That is also (inaudible) something like 39% (inaudible) and almost 43% by volume. It comes from that LIG segment. On the MIG-1, which is almost something like 50% by volume and 40% by number of headcount. Only 3% by account and 6% by amount is in [non-field interest]. So that is in the income of more than INR 18 lakh.

But, though the competition has remained (inaudible) of the company, going forward, we (inaudible) that the growth whatever disbursements we are making mostly (inaudible) into [loan] book because we expect that the rundown on the book that was determined on account of balance transfer is going to pull us somewhere in quarter 3.

The (inaudible) -- the liquidity is [soon], the discussions around the delinquency. Fortunately, your company is not in [backing], it is very -- it is having very strong liquidity. The liquidity [causes] some backed by -- on our credit line any point in time equivalent to almost next 2, 3 months, they are out of (inaudible). And as I helped maintain and we have filed a [thing]. The (inaudible) fund to the (inaudible) those (inaudible) but (inaudible) historically has never ever gone for rollover of any of its market borrowing, so. Even today, during this (inaudible) -- this period we have not borrowed in something to pay out (inaudible) a maturing secure (inaudible). Any point in time, we always have adequate liquidity for our payment obligations, for our growth. And for the future growth, right now, the company is having almost close to INR 2,000 crore of whatever limits which are readily drawable at (inaudible) more than INR 500 crore of (inaudible) which are in the pipeline that we're expecting (inaudible).

As far as the picture as a whole, I think, if the rundown percentage comes down, the company's growth rate from the [17.1] or percentage (inaudible) it will grow above 20% in its natural way. Because for the quarter 2 and the quarter 1, the

first half year only (inaudible) something like total (inaudible) INR 2,600 crore.

In quarter -- in the quarter 3 and quarter 4 (inaudible), our disbursement, if it goes just INR 2,000, INR 3,000 crore then we are crossing the 20% growth [threshold] (inaudible). Thank you, we will be happy to (inaudible) at the end of (inaudible) both are available. And we'll be glad to clarify any point beyond this issue [unfolding].

Operator [4]

(Operator Instructions) We will take the first question from the line of Augustya Dave from COA (sic) [CAO] Capital.

Augustya Dave, [5]

(inaudible)

Operator [6]

I'm so sorry to interrupt. I think your voice is breaking up. We are unable to hear you clearly. Can you please use the handset more while speaking.

Augustya Dave, [7]

Sir, we would have (inaudible) it's great to look at the numbers this around and see that the upticks have started happening. Sir, if you could just give some commentary on the Karnataka demand, on the Tamil Nadu demand at homestretch? How are they looking up now? Sir, I also had a question on our NHB financing. And as we have increased the limits this time around. And I was just wondering sir, when I am going through the -- I'm going to quote. "We have substantially decreased our NHB financing limits." So what was the reason? And you mentioned in the opening comments that you would be seeking to increase those as a source of funds. So what would be the impact on our cost of borrowing because of that? Sir, you briefly touched upon the rundown on the book and your expectation but maybe because of these (inaudible) others are facing, we will see a slightly lower rate of rundown. So do you expect competition to substantially decrease because we were seeing some level of competition from other [NBSs]? So if you could just quantify that, sir, what you are seeing on the ground? And finally, sir could this result end in better spreads and better pricing for going forward? Will we see our spreads expanding again, perhaps within a quarter or 2? Is that a possibility? Or do you think the market is not strong enough to sustain in the [3 years]? Thank you, sir.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [8]

Well, as far as the -- thank you for [my] questions (inaudible). I will clarify one by one. Firstly, you asked about the service growth in the home (inaudible), which is particularly in Karnataka and Tamil Nadu. [By and large] in both these states, we are seeing there is an improved approval as well as [expense] compared to quarter 1. Okay, the numbers for Karnataka, also. In volume terms, it has improved significantly. Whereas, in terms of percentage, if we compare, I think it will take little time to come back to normal growth rates. (inaudible) volumes, as I told you, quarter 1 to quarter 2, sequentially, if you see, the disbursements have gone up significantly even in the Karnataka region.

Even the year-on-year (inaudible) compared to quarter [2] of last year, quarter 2 of this year, there may be a drop. That is why, the first round, the overall growth rate of the company, and disbursements are in the outstanding. Because we are a 41-year old company, where there are matured -- and [particularly] loan books, repayment (inaudible) will be there. (inaudible) for sometime like 20 years or 25 years, the average [turn around rates] are 12 to 15 years for a home loan. So

people do come and they (inaudible). It's unlike a new home finance company, where you [disburse] INR 100 crore and loan book goes up by international INR 101 crore, because that INR 100 crore interest accrual also is not yet (inaudible). Another thing is, if the company is having a very strong asset quality and the repayments are strong enough, that repayment -- the usual repayment that I receive on my recommended cycles of (inaudible) [15 and 20] (inaudible) through -- only through the EPS on (inaudible) brought in are something in the range of INR 65 crore to INR 75 crore on each cycle. It means that, within a month, (inaudible) something like INR 500 crore or INR 550 crore, my disbursements are in INR 400 crore to INR 450 crore, in that range. And whereas my loan book grows by hardly [INR 150 crore]. If you see the average growth on the loan book, what has come in last 6 months. Is it -- was it INR 92 crore for 6 months? So it's hardly INR 200 crore a month. Whereas as, it should have been usually in the range of something like [okay] 300 and -- INR 300 crore or maybe INR 250 crore. Even a INR 50 crore increase because the usual (inaudible) is, as I told you, if you have per month disbursement of something like -- for the first half year I am giving the backup. The average per month increase is INR 435 crore in terms of disbursement. There is an interest (inaudible) of something like INR 145 crore. So it comes to almost INR 570 crore. Whereas the loan book growth is INR 200 crore. It means INR 370 crore rundown is there. Out of the INR 370 crore, maybe INR 275 crore or INR 300 crore is [managerial] dependent. But INR 70 crore makes the difference where, which is primarily the [next offer].

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Augustya Dave, [9]

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Do you expect that to decelerate?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [10]

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Yes, going forward at least from the [NBS's] sector, that [carnival] is in that run for somehow grow a loan book that should stop going forward. I think (inaudible) through which the industry is running now, I think the time has come where you, again, feel somebody would see that he has (inaudible) this smaller vertical in this sector. And being retail is very beautiful. (inaudible) because Can Fin has been a niche player, it has grown (inaudible) for 31 years. It has remained that strong even when (inaudible) running for those 30%, 35% growth. Even the company has tried to run like that. But we had our own warnings on this. (inaudible) when you are running just for growth without a focus on quality, you don't know, because in a home loan things start showing up after a year, 2 or 3. So that way the company has been very strong, being small, being Can Fin is really -- it's a very good thing for the present moment. Liquidity is not an issue for us because our ratings are strong currently. [Vertical] book with a strong asset quality, these are the major (inaudible), while lending is not an issue for us. Otherwise the banks won't be giving so many credit loans. In October, it's (inaudible) already secured INR 1,500 crore worth new term loans, another INR 1,500 crore is there on the way.

It's on the final stages (inaudible). (inaudible) So I don't require really so much of market growing. If the market is good certainly we'll look after to that. And (inaudible) will not be there in the market as you've seen in the recent past because Can Fin, which has grown and we have reached INR 500 crore for 3 months (inaudible) almost that's the end of that.

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Augustya Dave, [11]

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Great.

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [12]

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Nobody is going for 3 months normally. We are not willing to really raise anything 2 months. [Even in the peak], we are looking for something long. (inaudible) most of major part of our borrowings from the money market are by way of (inaudible). If the bond yields are okay, if the market is comfortable, if the rates are okay for us, we are willing to borrow. Otherwise, we have got adequate sources. And those sources are open wherever it fits, we are (inaudible). The bank credit lines are (inaudible) for us right now. And as long as -- I'm going (inaudible) pass on, I think, the cooling off of competition, the lag (inaudible) for building a book, in fact, (inaudible) I think the tracking power, also. Passing on the

cost, also, that will be easier for any in the company. I think, that (inaudible). Next question, you asked was on the energy funding?

Augustya Dave, [13]

Yes, so the energy funding and also you...

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [14]

Yes. Let me answer (inaudible). So the NHB funding. While we are not borrowing, while we have reduced it to. Earlier, we had to direct the [lending] from (inaudible). In recent past, those 2 [phone carriers] -- these 2, the NHB and (inaudible). Now there is a new affordable housing fund, which has been launched. And they have seen in the reporting that in their refinance we need as the rates from INR 24,000 crore to INR 30,000 crore. So under the affordable housing, these are all [dual organ] lending, which are on the (inaudible) or in the (inaudible) that lack income. And in rural (inaudible) that lack income, those people will qualify for the refinancing for that sort of loan. And Can Fin is very strongly into that segment. As I told you, another part of our lending comes from that segment. Either it is clear in that segment and that is our forte. So we assume that, going forward, our borrowing for the next year also is going to increase because you (inaudible) will clear 3.5% margin in those 2 (inaudible). That is going to help us both in terms of liquidity as well as in terms of cost of funds. (inaudible)

We consider NHB as well in that banks bracket. It's a bank like any other bank (inaudible) a bank as long as funds cost is okay for us, we are willing to (inaudible).

Augustya Dave, [15]

Sir, one last question, which I have been asking for almost 1.5 years now, the rights issue. Now that the price has corrected sharply and you have maintained that 2019, '20, '21 will be very strong years if the government has to [meet] the housing for all -- the program that they have launched. So are you still looking for INR 1,000 crore? You have mentioned that -- on the second last slide, you have mentioned INR 19,500 crore, you have mentioned the same INR 40,000 crore [upgrade], and then you have also mentioned, INR 1,000 crore rights should be (inaudible) to purchase. So if you could just give some comment on that? And thank you very much, sir. That is all. Thank you very much.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [16]

Yes, as far as the rights issue is concerned, whatever the cost (inaudible) after the quarter (inaudible) we have declared that (inaudible) of INR 2,000 crore. And you have been asking this question. And in all the quarterly earnings calls, I didn't clarify on this point, it is not INR 1,000 crore, it is up [INR 6,000 crore]. As of March 2017, my leverage (inaudible) has crossed [11] because I think 11 points. It is (inaudible) [11.3 (inaudible) and in March '17. That is why we have decided that we're not comfortable with this leverage ratio not for capital purpose because the company is very well capitalized. And I have very strong Tier 1 capital (inaudible) 17% cap now. So we don't require any capital for growth. But the leverage (inaudible) borrowing (inaudible). Particularly from the banking [side], and the banks are not comfortable if you are basically (inaudible) or it should have beyond 11 . That is why we wanted to raise up to INR 2,000 crore, that is what (inaudible) because the rights issue, there are issues it could not be -- we could not fix it. Subsequently, (inaudible) to have other options. Other options lead to (inaudible). We require a [service] in terms of general [body]. That is why, from last (inaudible) for (inaudible) as well as (inaudible).

If you are going to be creative, along with debt issuance. So all these options are open. Right now, what is the (inaudible) subsequent to March, 2017, where the growth (inaudible), the growth reduced. (inaudible) so many things have happened. And the growth was reduced. Once the growth reduced, as long as my ROE is more than [20], and growth is below 20 , my leverage ratio is improving quarter-on-quarter. So it is clear. Certainly, we are also, equally confirmed that I am

holding a [permission]. I get that (inaudible) right time (inaudible) and when the market is okay. And you see that we have now (inaudible) for the right quantum and the right mode the company will approach the market.

Operator [17]

(Operator Instructions) The next question is from the line of Jahnvi Goradia from Motilal Oswal Asset Management.

Jahnvi Goradia, [18]

Sir, just 2 questions. The first is you had increased our lending rate with effect from 1st April, 2018 by about 10 to 60 basis points across various (inaudible). Despite that the yield on advances has fallen on a 1Q basis, so if you could just help me understand the reason for this is?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [19]

Yes, thank you, (inaudible). Normally (inaudible) peaks -- when the rate of interest increases, the rate of interest increases immediately for the prospective -- the new loans (inaudible). For the old loans, which are (inaudible) cancel is the first (inaudible) another thing (inaudible) is most of the balance transfers, it happens that (inaudible) actually growing (inaudible) is coming down (inaudible) thing that, quarter-on-quarter, the housing loan growth was very strong, whereas nonhousing loan growth was not that strong. This quarter, we have seen an (inaudible) first time. Again, focus (inaudible) nonhousing as well. So that is why, we have been in the [concept] of hold on to those yields what we are doing last quarter. Last quarter was 10%, this (inaudible) it is 9.99%. So otherwise, in comparison to March, 2017, if you see there is -- every quarter there is a drop in overall yield.

There is a lot of (inaudible). The people come for repricing. When the rate of interest -- there were many loans which were (inaudible) of carrying something like 10%, 10.5% or 11%. Rate of interest increased from March '17. But those which you are clearing a higher rate, they are also repriced. That is (inaudible) getting repriced. It is not that the entire portfolio was at base rates, then how come, if my home loan rate was 18.5% a year back, our rating yield of [10.5%] even on a home loan I am making something like close to 9.5% to close to 10% usually. It is mainly because of the repricing. But what happens in case of a repricing, if somebody comes in beyond the (inaudible) or the customer is not [update] for their annual resetting, if the rate of interest is reduced, maybe the (inaudible) will come down, but there is an (inaudible) for the company in terms of interest or adjustment for (inaudible) qualifying under (inaudible). And right now under (inaudible) whatever cost of (inaudible) we are taking, whatever interest (inaudible) it is affecting interest (inaudible) everything that is amortized it impacts further.

Jahnvi Goradia, [20]

So it's [slow] going. So what I understand is you're saying that I've -- every -- on every annual reset for every loan, as the loan comes up for repricing, we do negotiate for a lower yield?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [21]

No. Not that. The annual resetting date is [basically] reset on (inaudible). So somebody who is (inaudible) 8.5% clearly March, 2017, maybe he is (inaudible) for 8.5% till February 2018 -- or sorry March 2018 to March 2019 from the 1st April (inaudible). (inaudible) there is a chunk of loan which gets repriced to the present rate. And the present rate is not [8.95%], it has recently increased (inaudible) again in October, so it is 9.5%.

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Jahnvi Goradia, [22]  
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As you keep increasing the rates, I believe...

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [23]  
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Now we are seeing (inaudible) degrees. You will see the improvement in yield, whereas we will be the person to hold onto the cost, mainly because now the NHB Affordable Housing (inaudible) is opened.

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Jahnvi Goradia, [24]  
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Okay. At what rate are we borrowing from NHB?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [25]  
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[I'm looking for it. It's] (inaudible) to declare the (inaudible). I have that. That is effective for all the loans given after 1st of April 2017. We have got a large chunk of that, so that (inaudible).

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Jahnvi Goradia, [26]  
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Okay. So what's your overall guidance on a spreads? Do you think you'll be able to maintain them? Or probably these increases you are seeing that the yields will increase now that you will be able to maintain to your -- I mean, hold onto your costs? What's your guidance on spread, sir?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [27]  
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The cost is increasing, I never mind as long as I am in a [person to pass on]. So far we've been in a person to pass on . It's the unethical ways of the balance transfer, takeover, (inaudible). The competition. If the competition is (inaudible), which you expect that certainly is going to be, I think the pricing power of [all accessories] will improve. Because as far as the competition from banking channels is concerned, they will continue to be there. If we (inaudible) the bank enjoy the costs of funds (inaudible).

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Jahnvi Goradia, [28]  
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Right. So in terms of spreads, [2.16], looking (inaudible) those spreads do further go down? Or you think you are almost at the bottom?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [29]  
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Actually it decreased at the bottom. Now, (inaudible) for all the industry players. But I think, going forward, it should not be difficult to pass on the cost. Because (inaudible) banks, as you have seen, it has increased. And there has always -- it has -- there has been a difference here in pricing of the banks and (inaudible) fixed loans. So we have been in a [person] to pass on so far without any dent on our loan book and not much [strength].

I think, if you ask me I will (inaudible) as the CEO of Can Fin, I will always look up to those guidances of more than 3% margin. I am comfortable with that.

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Jahnvi Goradia, [30]  
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Sure. And sir just 1 question more. (inaudible) usually which is in the range of INR 10 crore to INR 11 crore, this quarter they are INR 6 crore, so what's the reason for that?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [31]  
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Staff expenses. It is primarily because, in the quarter 1, when -- (inaudible) was not (inaudible) since last year, if you remember. the (inaudible) interest from [10] to [20]. So last year there was a large impact in terms of that. Another thing is (inaudible) cost. (inaudible) most of the people last year that (inaudible). So current year, it's still (inaudible), whereas last year it was (inaudible). So those sort of did certain (inaudible) as you see. Overall, going forward during the year, I think it will average out to almost equivalent to last year (inaudible). Because last year was an exceptional year, where we had to provide more because of the increasing (inaudible).

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Operator [32]  
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(Operator Instructions) Next question is from the line of [Bhaval Perigana] from [Vaido Capital].

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Unidentified Analyst, [33]  
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What I want to know, in fact, you just mentioned that you had been able to borrow INR 1,500 crore line from banks. At what rate this has come and when exactly? I mean, if you can give us a date.

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [34]  
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What is it? I didn't get it.

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Unidentified Analyst, [35]  
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You mentioned -- I mean...

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [36]



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Is that (inaudible) or (inaudible)?  
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Unidentified Analyst, [37]  
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Sorry?  
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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [38]  
-----

Is that (inaudible) and all the various lines? Other documents have -- it is (inaudible).  
-----

Unidentified Analyst, [39]  
-----

So basically, you haven't drawn anything in the month of October?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [40]  
-----

No, we maintain. We don't keep -- kept cash in. We don't keep money in any liquid fund because -- we don't draw money from the banking fund and then keep in liquid fund because we are a bank that (inaudible). So we might -- Canara Bank will be as well as -- and another will be account of -- INR 2,000 crores will be account to your (inaudible), and that will -- and we will keep on (inaudible). The (inaudible) we can draw, and then whatever disbursement takes place, whatever collection comes, that comes (inaudible). That is how we maintain our liquidity.  
-----

Unidentified Analyst, [41]  
-----

You don't need one more permission from the bank..  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [42]  
-----

No, not required, not required. Simply we can (inaudible).  
-----

Unidentified Analyst, [43]  
-----

Okay. And your average cost of fund last quarter was 7.83%. If you have to borrow right now, what would be the rate?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [44]  
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Is it that I will be borrowing from only one source only?

Unidentified Analyst, [45]

No. Even -- whatever combination you think is appropriate for you, like NCD banks and et cetera.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [46]

No, we can -- you know the cost of (inaudible). We've been pretty (inaudible), I think. We don't take any (inaudible) below 9 months (inaudible). If it is bank loan, you can see there and fill up and enjoy the -- we don't see anybody beyond there and fill up (inaudible). Even in figures, we have the loan, but we feel we don't serve the (inaudible) taking because it has something (inaudible) and having it fully because I don't have much (inaudible). So bank will decline for (inaudible). The best of their rates, I think, they invest from all the banks (inaudible). And if it is NHB, if it is a directed fund, (inaudible). If it is a natural lending, it (inaudible) almost like a natural bank (inaudible).

Unidentified Analyst, [47]

Okay. And also through NCD or [CP], you haven't done anything...

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [48]

We have not done something simply because (inaudible). Last year, all the quarters we have been asked that why you have not borrowed from NHB. Because the NHB was not something cheaper for me to fund (inaudible). (inaudible) same thing today and to the (inaudible) parties if the borrowing is (inaudible). And the bank loan (inaudible) for me (inaudible) loan coming from a bank. And within the [4] lines of a bank, it is in [0.5%] or (inaudible).

Unidentified Analyst, [49]

No, that's very fair. That's very fair. So you are confident about drawing down from banks. You think that you can even -- once your drawdowns are over -- I mean, unutilized amount is over, you will be able to borrow again from the banks. Lastly, if you can give us a breakup of what is the line you draw from the (inaudible) and privates -- bank?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [50]

No. That way, I think we don't see private or government. Primarily (inaudible).

Unidentified Analyst, [51]

Okay. And lastly, have we seen any dropdown in the closure rates? I mean, the -- and if you can quantify (inaudible). I know you mentioned...

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [52]  
-----

I think you're (inaudible). You're talking about the (inaudible) fund, and many times, (inaudible) is we overreact to the situation. And I think (inaudible). I think that no one thing is (inaudible). We are a 31-year-old company. I -- just I explained to the (inaudible) that every month, we try to invest INR 450 crore -- INR 400 crore to INR 450 crore. There is a usual repayment that is coming something in the range of INR 370 crores. Otherwise, my loan book would have grown by 24% or 23% by now. If that is so, now that INR 370 crore rundown on my book every month, I'm expecting to be something like INR 300 crore. Fair enough for me. (inaudible) my growth rate goes to beyond 20%. It was INR 70 crore (inaudible) INR 70 crore -- INR 80 crore -- INR 75 crore to INR 100 crore the excess rundown on the book. If that's (inaudible), fair enough for me. So you're talking (inaudible) natural repayment. So the cash flow is (inaudible). It is so very strong that the incremental loan growth rate is just INR 200 crore a month. That is (inaudible) from INR 200 crore. If I'm not talking [thousand], even the INR 200 crore go to INR 250 crore a month. That INR 50 crore extra, I don't think my (inaudible). It is not (inaudible). It is not there. (inaudible)

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Operator [53]  
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We would take the next question from the line of Rohan Mandora from Equirus Securities.

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Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [54]  
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If I look at your presentation Slide #11, there, you are giving data of (inaudible) of collection for the next quarter. And if I look at the capital (inaudible) rates that we are running in the quarterly run rate, that's around INR 700 crores. So I was just trying to understand like how -- what is the difference of INR 500 crores? Where will this collection come from?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [55]  
-----

What is that -- (inaudible) it is for the 6 months (inaudible) INR 700 crore (inaudible).

-----

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [56]  
-----

So sir, Slide 11, liquidity position slide here, collections...

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [57]  
-----

That's (inaudible). Why you calculated INR 700 crore?

-----

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [58]  
-----

Sir, INR 700 crore, I am calculating it from your -- so the loan book disbursement and then really compute the repayment. So last quarter, loan book was around INR 16,199 crores. This quarter end, the loan book is INR 16,935 crores.

Disbursement was INR 1,443 crores. So the repayment that happened during the quarter was around INR 707 crores.

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [59]

-----

There is the 3 months for (inaudible). (inaudible) to the loan book of INR 135 crore to INR 140 crore for 3 months that you are (inaudible).

-----

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [60]

-----

Okay, okay. So we are also including (inaudible).

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [61]

-----

(inaudible) without cash.

-----

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [62]

-----

Right, sir. (inaudible) that. And sir, second one, sir, in terms of -- if you look at (technical difficulty)

October, you have again increased the lending rates, and we (inaudible) in the 1st of October. So during September to October, (inaudible) 65 to [125] basis point. After that, there is (inaudible) bucket. So sir, how -- like how -- I'm just trying to understand, like, among the borrowed mindset, around INR 600 crore they were looking at (inaudible) 8.0%, 8.5% (inaudible) many of the second lines. And currently, the rate that we are offering is close to 10%, 10.5%. So what would be actually (inaudible) good growth in disbursement in the second half of the year? I just wanted to get your sense on that. And how (inaudible) in the month of October right now?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [63]

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It is not 65 basis point increase really. (inaudible) we've grown to our growth. We grow segments that are (inaudible). But (inaudible) also mean will be loan growth portfolio, where, in a particular segment -- because you need to look, it is not alone the increase in costs. You see the bank -- the overall cost of funds have gone up now, and what it is at this time. So we have pattern almost like that around 45 to 50 basis points. We have pattern in terms of us increasing (inaudible) and perhaps there is (inaudible) 45 basis points in terms of (inaudible) to 50 basis points. And then next year, there will be an increase. You're talking (inaudible). Naturally, I will (inaudible). Why do I exclude like that? It is a fund cost (inaudible) there is premium. The capital cost, the (inaudible) premium that is working (inaudible) and that's part of your (inaudible). That is (inaudible). So (inaudible) we will be in a position to purchase because there are, as I told you, 2 new products we have launched (inaudible). (inaudible) for a particular loan (inaudible). It is both (inaudible), there is one home loan for (inaudible) category (inaudible) so that it will be taken a little below 18.5% (inaudible).

-----

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [64]

-----

Sir, (inaudible) because what I'm saying is for below INR 30 lakhs, rate of (inaudible) 9.5%, (inaudible) 9.75%. So which (inaudible) 18.5%?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [65]

So under that, less than INR 30 lakhs. If somebody's income is less than INR 6 lakhs in the urban area, then they qualify (inaudible) housing. If I'm in a position to raise the funds through the affordable housing fund, (inaudible) something like around 18.5% or below that.

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [66]

And generally excluding the INR 2.6 lakhs (inaudible)?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [67]

Sorry? I didn't hear clearly.

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [68]

Excluding the...

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [69]

(inaudible) for the borrower, refinance is for the lender.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [70]

Okay, okay. Sure, sir. And sir, how do we (inaudible) banks?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [71]

I didn't get your question, sir.

Rohan Mandora, Equirus Securities Private Limited, Research Division - Analyst [72]

Sir, any loans yields through banks (inaudible)?

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [73]  
-----

We are not looking at that because we find greater earnings for it and the liquidity fund generally we can (inaudible).  
Fortunately, (inaudible).

-----  
Operator [74]  
-----

(Operator Instructions) Next question is from the line of [Arish Marda] from [CD Research].  
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Unidentified Analyst, [75]  
-----

Sir, which (inaudible) income do you (inaudible)?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [76]  
-----

Salaried income. Again, as I told you, it is mostly (inaudible) income is the income for a year is less than INR 6 lakhs  
(inaudible) segment, or it is something in the range of below INR 12 lakhs (inaudible). (inaudible) one of the segments we  
target mostly, primarily to LIG.

-----  
Unidentified Analyst, [77]  
-----

So what percentage would it be?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [78]  
-----

Almost 50% of my accounts are in LIG (inaudible).  
-----

Unidentified Analyst, [79]  
-----

And so of MIG one?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [80]  
-----

MIG one may be around (inaudible) 20% to 30%.  
-----

Unidentified Analyst, [81]

---

And the remaining will be from...

---

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [82]

---

(inaudible) And beyond MIG, I've got hardly 3% accounts.

---

Unidentified Analyst, [83]

---

And so has there been any change...

---

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [84]

---

(inaudible) but yes, the average ticket size of the company is INR 18 lakhs. And the people who take these sort of loans, even on (inaudible), if you take INR 25 lakh, INR 30 lakh, (inaudible). So naturally, the company (inaudible), which was (inaudible), which qualifies for (inaudible) qualifying (inaudible) other criteria of the (inaudible). In other words, all these qualify for the (inaudible) housing (inaudible).

---

Unidentified Analyst, [85]

---

Sir, has this composition...

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Operator [86]

---

May I please request you to join the queue for your follow-up.

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Unidentified Analyst, [87]

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It is a bit of the same question.

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [88]

---

You can ask the question so that I can answer it (inaudible). I suppose that (inaudible), you complete your question, I'll answer you.

---

Unidentified Analyst, [89]

-----  
Sir, has this composition changed over the years?

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [90]

-----  
Composition?

-----  
Unidentified Analyst, [91]

-----  
Sorry, like the percentage of LIG, MIG...

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [92]

-----  
No, it has not changed. The company is primarily leaning to LIG and MIG-1. It is something like 60-40, in that (inaudible).

-----  
Operator [93]

-----  
Next question is from the line of Shubhranshu Mishra from Motilal Oswal Securities.

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Shubhranshu Mishra, Motilal Oswal Securities Limited, Research Division - Research Analyst [94]

-----  
Just wondering, how many bank lines do you have? And if you can try to (inaudible) the bank lines in terms of [non-PCF] PSU banks, [PCF] PSU banks?

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [95]

-----  
I think you were asking too much of strategy (inaudible). Whether the money has gotten -- gone low (inaudible).

-----  
Shubhranshu Mishra, Motilal Oswal Securities Limited, Research Division - Research Analyst [96]

-----  
(inaudible)

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [97]

-----  
Another thing I have disclosed that you are aware that you have (inaudible) is Canara Bank. It is a [non-PCF] bank. It is a very strong bank, and the most of other players, certainly, they are stronger (inaudible).



-----  
Shubhranshu Mishra, Motilal Oswal Securities Limited, Research Division - Research Analyst [98]  
-----

Can you help me with the number of bank lines that (inaudible)?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [99]  
-----

I think the amount of -- it is not the number of bank lines which matter. It is the amount that matter. (inaudible)  
-----

Operator [100]  
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We take the next question from the line of (inaudible) from BOB Capital.  
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Unidentified Analyst, [101]  
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I just wanted to, again, move back into the question regarding the NIM. The rate has come down to 7.99%. Because I think in some of the previous calls, you mentioned that 97% of your book is floating, so is it (inaudible) that it means that all the books should have been written by now and all the new loans and especially because it will be in non-primary loans, it should be the higher range. Shouldn't your (inaudible) not be under pressure anymore?  
-----

Unidentified Company Representative, [102]  
-----

Certainly. You are very right, sir. The (inaudible) is not 7.9%. I think it's 9.99%. It was 10%, and now it is 9.99%. Certainly, with this present rate, it cannot be less than this. I can -- don't ask me to (inaudible) so many loans there.  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [103]  
-----

It's the present rate of interest, yes? I think it's not come down.  
-----

Unidentified Analyst, [104]  
-----

Okay. And one more, you have deposit-taking licenses. So what (inaudible) to increase the deposit-taking funding?  
-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [105]  
-----

Yes, we do take deposits, (inaudible) deposits as well as the -- from the company (inaudible). Both the lines are open, the branches are there. It's an ongoing process. The only thing is it has not been -- not much of trust in recent past like one

that it was taking. But certainly, it is one (inaudible) recent mobilization of the company. And we have recently fairly good rates. And you see going forward from deposits (inaudible) there will be (inaudible).

-----

Operator [106]

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Next question is from the line of Megha Shah from Future Generali.

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Megha Shah, [107]

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I just want to know what are the incremental disbursements that you've done in the previous September 15 to October 15? And then do you see any changes in your disbursement pattern post liquidity issue? Or you think it's very much on the similar (inaudible)?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [108]

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For 2018, (inaudible) business. Talking to you (inaudible) my branches are doing business the same, similarly. There is no difference to further (inaudible) they've got so much in...

-----

Megha Shah, [109]

-----

Can you give us a number, sir, or rough number?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [110]

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(inaudible) [the real name] because so far, I'm running only for the (inaudible) actually and so we talk about the numbers - September quarter numbers [so far].

-----

Megha Shah, [111]

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Okay. And -- okay, yes.

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [112]

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Don't [talk] only one thing. I can see that it's quarter 3. Certainly, it's the best quarter historically. Amongst all the 4 quarters, Q3 is the very best quarter. I cannot [assume] those numbers.

-----

Operator [113]

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Next question is from the line of [Satta Shah] from [TSA Shares].

-----

Unidentified Analyst, [114]

-----

My question was regarding the maturity of your borrowings and assets actually in the next one year, yes. So I wanted to know what percentage of your -- actually of your assets are maturing in this current year and what percentage of your borrowings are maturing? And my second question, sir, what percentage of the book is being linked to the new rate of interest actually that you have for 2 of the -- or from 1st April 2018?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [115]

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The new rate, (inaudible) from 1/4/2017, not from 1/4/2018. So already, we have done something over 18 months, so most of the [loan case, other experience and all the important]. Only those -- that part which is -- who are not (inaudible). So that offer was given to only person of 1. The differentiation (inaudible) somebody has not switched, then (inaudible) increases (inaudible) before [any is] introduced. So first time (inaudible) work within the course of the year, [7, 8 months] from, like, (inaudible) launched (inaudible) then (inaudible) [IoT] invention. but to that extent, repricing every (inaudible) around this (inaudible) all [the new] investment after 1/4/2017. Every month, some (inaudible) loans (inaudible) comes for repricing (inaudible) all those loans, which are outside the (inaudible) almost to something like 35%, 40% of the loan. That will come for repricing with everything (inaudible). So as far as the liquidity (inaudible) for next 1 year (inaudible) last 3 quarters, I think it's satisfying.

-----

Unidentified Analyst, [116]

-----

Sorry?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [117]

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(inaudible) Slide #11 (inaudible) you can see it.

-----

Unidentified Analyst, [118]

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Yes, but it's not given that how much is it actually maturing actually? How much of your liabilities and...

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [119]

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(inaudible)

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Unidentified Analyst, [120]

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I'm sorry, sir. I'm talking of the liabilities, how much percentage of your market borrowings or of your banks are maturing in the next (inaudible).

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [121]

So [reported] (inaudible) that you can go around the (inaudible) [March report] there will be different (inaudible). Both individual entities, individual [entities] were different (inaudible).

Unidentified Analyst, [122]

So basically, you're saying your 35% to 40% of the book is still to be replaced, right, or yet to be replaced according to the new rate of interest?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [123]

No, only those loan [consist] during last year from the month of October to March (inaudible) every month.

Unidentified Analyst, [124]

Okay. But before that, they can be repriced?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [125]

No. Before 1 year, they can be repriced.

Unidentified Analyst, [126]

Before 1 year.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [127]

If somebody wants to reprice quite early, then you have to pay the price (inaudible) through the (inaudible)

Operator [128]

Next question is from the line of [Bhavin Shah] from [Tamasha Agati].

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Unidentified Analyst, [129]  
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Sir, based on everything that you did so far, do you think it's fair to continue that unlike the [selling] quarter, where your interest expenses grew much faster than interest income, that can be reversed in the third quarter?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [130]  
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I think (inaudible) first quarter (inaudible) and I'd like to make some calculations and then I tell you. Going forward, certainly, you can see that (inaudible) should be improving if the costs are rising. I told you (inaudible) those are available to the management are -- [they're] changing the mix both in asset side as well as in the liability side. Liquidity has not been an issue for us. Borrowing has not been an issue for us. The people are willing to, the banks are willing to, the market is willing to lend to Can Fin. It should track [very close] to market. So going by the pricing power, as long as I'm in a position to pass on the cost, I think whether cost is coming down, cost is going up or [interest] coming down, it doesn't matter much. If my yield is improving [in parallel] the increase in cost, I think (inaudible). As long as I'm in a position to [further into my margins] that is what I told (inaudible) to ask me, it's (inaudible) 3% plus margin plus (inaudible).

-----

Unidentified Analyst, [131]  
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Right. And is that...

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [132]  
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This quarter, we have seen so much of increase in the bond yield with the tightening of the market and all those things. Can Fin has been in a position to hold onto its margins from [3.18% to 3.19%].

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Unidentified Analyst, [133]  
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Also, I wanted to...

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [134]  
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(inaudible)  
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Unidentified Analyst, [135]  
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(inaudible) has gone up. But really, you are able to do it because the competition has -- have come down. Is that a correct interpretation?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [136]

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That's what helped me in growing the loan book faster because the rundown is enough. If the balance [transport different], then whatever loan I'm creating, that will remain on (inaudible) 2017.

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Unidentified Analyst, [137]

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And last question, your presentation is completely quiet on any kind of technology initiatives that you might want to take in order to [bring] business. It is purely focused on the [good hold] project [bundle] strategy. So can you talk about -- I mean, there's a lot of technology enabled in the earlier players [near] to the market. How will you compete with them? Can you (inaudible) that, please?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [138]

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Well, I think there is a system (inaudible) given in the last quarter earnings call. They don't -- given (inaudible) going to change, bringing some drastic change as far as technology is concerned. But certainly, one thing has improved for Can Fin. Nowadays, we get a lot of the leads and the -- so all things that's built through (inaudible). Currently, the company has been doing -- there is nothing great really that we should be concerned about. But certainly, in very near future, we are going to see our new website for Can Fin. It -- so many changes and it's the future also in terms of sourcing, in terms of the customer driven, the interaction with customer, all that (inaudible). We are working on it. It is not that we are not investing on technology. We invested a good amount on technology, but I think that as far as loan lender and particularly retail loans, we are like Can Fin. It is primarily that the (inaudible) branches, the offerings that the branches [end up with] that matters a lot. Because my clients -- even though I do something drastic in terms of technology, like [IMCV], the (inaudible) are very (inaudible), are very [important to invest to so much, where we don't -- we thought we (inaudible)]. Nothing can be [clicked] relative to banking, and that has been the (inaudible). As far as sourcing model is concerned, our delivery as far as (inaudible) is concerned, but only, we are equally competent and we have all models at par with the best in the industry.

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Operator [139]

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Next question is from the line of [Yash Agarwal] from [J.P. Rashan].

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Unidentified Analyst, [140]

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Sir, do you know what is the outstanding borrowing from Canara Bank? And what is the cost that you borrowed from Canara Bank?

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [141]

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I think it's (inaudible) you're asking. I disclosed all my bank's name, the borrowings, (inaudible) if you look at (inaudible)

-----

Unidentified Analyst, [142]

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So actually...

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [143]

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It's only one thing I told you (inaudible) mostly the bank, they give us the best rates. So -- but they cannot lend me below their umbrella.

-----  
Unidentified Analyst, [144]

-----  
So my question is, are we getting any subsidized loan from Canara Bank or not?

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [145]

-----  
No, no, (inaudible) Canara Bank (inaudible). Well, Canara Bank, also, even though they have the [current], they cannot lend below their [MCF]. They cannot subsidize to the trade just like anybody else.

-----  
Unidentified Analyst, [146]

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So, actually, say, if I make a rough calculation for (inaudible) we've got an average loan more than (inaudible)

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [147]

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I think this time, you can do the math and even with (inaudible) but again, I will disclose it.

-----  
Unidentified Analyst, [148]

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Okay. (inaudible) they're talking [CP] outstanding right now?

-----  
Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [149]

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So [CP] is something like (inaudible) holding an important [time] and the (inaudible) annual rundown on the book is around 30% total (inaudible).

-----  
Operator [150]

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Next question is from the line of [Ravi Mariri, Mariri Investors].

-----  
Unidentified Analyst, [151]  
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So you've given INR 19,500 target for 2019. You had too much [transfer] because (inaudible) you have to grow 15% in 6 months. So is it possible?

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [152]  
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So this thing (inaudible) I am also concerned about that. It is not that we are oblivious of the number that we are seeing...

-----

Unidentified Analyst, [153]  
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No, no, (inaudible) obligation. I'm not asking about the obligation. Just I'm asking...

-----

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [154]  
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(inaudible) I'm telling I'm not oblivious. It is not that I'm not concerned about that. We are concerned about -- we are not oblivious of the target that is before us. Look, that target was -- right now, we -- I don't want to (inaudible) because the (inaudible) I think (inaudible) 2 months more to see that -- how growth (inaudible) we're expecting [arresting poverty]. We expect the company [credit] is going to pull up a bit. And going forward, we can't say that [whatever] we can be. And as I have been maintaining, I know our billing (inaudible). There are so much changes happening. We don't know that -- who would have known that -- whether the banks or (inaudible) were borrowing differently or they were lending differently. They have been borrowing at the same way they were borrowing. Somebody asked me a question, "Was there anything you're seeing [short term] beyond September?" I said no. We are doing business [as usual]. As long as I know what is my annual cash flows or what is my monthly cash flow and what is my payout (inaudible). Any liquidity is not an issue. If liquidity is not an issue, why don't you (inaudible). So let's see (inaudible) [looking up], where are positive signs of disbursement looking up, where (inaudible) looking up even in our (inaudible) and the company has grown to the (inaudible) potential growth center. So let's not expect that we'll cross this number, sir. I'm not commenting on INR 19,500 crores (inaudible) as of now.

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Operator [155]  
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Next question is from the line of [Rajal Fika, Motilal Investors].

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Unidentified Analyst, [156]  
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Beyond the people on the application from Canara Bank (inaudible), why don't you do that [post], even branch offices also? So for example, (inaudible) or no branches invested in the next (inaudible) right now. There's lot of potential of business [investing in there] (inaudible) and even (inaudible). We should get people from -- and the efficiency from Canara Bank. We can see the value, and then it includes (inaudible) over there.

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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [157]



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(inaudible) it is not that Can Fin has got [unable]. All the employees of Can Fin, they belong to Can Fin, except for (inaudible) from Canara Bank as guarantors on the board. There is no employee who moved on (inaudible) Canara Bank. The company has been growing that way and (inaudible) so far. Another thing is as far as our expansion [investment number] is concerned, the company has got very good number of (inaudible) employed (inaudible)  
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Unidentified Analyst, [158]  
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(foreign language)  
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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [159]  
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(foreign language)  
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Operator [160]  
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Next question is from the line of Nirmal Bari from Sameeksha Capital.  
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Nirmal Bari, [161]  
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I just wanted to know what is the percentage of...  
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Operator [162]  
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Can we, sir -- this is the operator.  
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Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [163]  
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Nirmal, could you speak loud, please?  
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Operator [164]  
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Yes, please.  
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Nirmal Bari, [165]  
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Yes. Is it better now?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [166]

Yes, please go ahead. Please go ahead.

Nirmal Bari, [167]

So what is the percentage of our loan book that will get repriced in the next 6 months, our existing loan book?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [168]

Existing loan book in next 6 months, whatever was granted in the last 6 months, the [3] years, 12 years, second half, it will get repriced the next 6 months.

Nirmal Bari, [169]

But there's no (inaudible) and get repriced or that is something from the previous year's...

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [170]

Yes, that's a [part]. The previous looked (inaudible) actually almost to something like around 35%, 40% of loan book, which is outside the (inaudible) is not (inaudible) increase the rate of interest, it gets repriced (inaudible) totality is available only to those people who have opted for it or all those new loans granted after 1/4/2017. So every month, a person will come, one bunch of loans will come for it, right.

Operator [171]

And ladies and gentlemen, this seems to be the last question in queue for today. I would now like to turn the conference over to management for their closing comments.

Unidentified Company Representative, [172]

Yes, thanks. I think we are done with the questions, sir?

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [173]

Yes, sir.

Operator [174]

Yes, all the questions. Over to you.

Sarada Kumar Hota, Can Fin Homes Limited - MD & Director [175]

Yes. Thank you. It's really a lot of learning for the management as well. And every time whenever we chat, we post the quarterly numbers, it is more that we inform. There are -- there is always some points that we take from you. I thank you, all of you, for that and (inaudible). I wish all of you a happy Dasehra and happy Diwali and merry Christmas to all of you because we'll be meeting once again on the Christmas (inaudible) number (inaudible) December Q3 number in the month of Jan (inaudible) but that will be the new year going from (inaudible) good for your company as well as for all of you and all of you here. Thank you.

Operator [176]

Thank you very much. Ladies and gentleman, on behalf of Investec Capital Services, we conclude today's conference. Thank you all for joining now. You may disconnect your lines now.