

“Reliance Conference Call”

November 21, 2025

Interviewer: We really wanted to understand two things, Jai, it is just coming apart from the short-term things. So, we are at about 40,000 crore AUM, it is a PSU, you have a finite time frame over here. Can you take it to Rs. 1 lakh crores? And you have the liability advantage, which is massive, till it remains.

Interviewee: Correct.

Interviewer: Can it really scale, because the opportunity is there.

Interviewee: Correct.

Interviewer: We saw that with let us say PNB Housing, which had the advantage, they got the private equity, they put the tech platform, they have got the professional CEO, but it all blew up. You are doing it the hard way, DSA, branch, what sort of a distribution is required, because you have to compound at 15%-17% to reach a 1 lakh crore, let us say in a six year kind of a time frame, then big value gets created, once that sort of...so apart from the cyclical stuff, which is, since you have come to numbers that we understand the Karnataka, Telangana, we will just come to that, how to think about this aspects of things?

Interviewee: So, one by one, I will just try to share, see, while it is you say it is correct in a sense that, predominantly this was run by the PSU, because mostly till long ago, majority of 2019 or something, it was somebody from Canara who was coming as a person on the, as a MD on deputation. So, there was obviously a lot of the policies, a lot of things, and obviously, which is very natural will come from the parentage that that thinking will definitely come, but nothing wrong about it, because that is why we are being able to maintain the GNPA below 1% for 10 years, at least.

Interviewer: Very conservative right from--

Interviewee: Now, the cost advantage is there, the advantage now is that in the last few years, the kind of investment that has happened in terms of the continuity plan, in terms of getting the right people, putting a huge technology platform in place, strengthening all the assurance functions and seeing that the building blocks and all are once again strengthened and everything, I think this should give at least for a good amount of time, the runway should be there and so, that is what basically is. So, six years, reaching 1 lakh growth, 15% consistently should not be a problem, because today the industry has obviously been showing that kind of a number even in a bad year and all, it has maybe 1-2-3 years, that would have happened, but otherwise it has always been able to sustain that kind of a growth number. So, for a franchisee like this, which if you do the right things, like the growth had slowed down, because a few years back, during COVID, where the branch network was not expanded, the people were not added much, so not much of a recruitment happened, somehow or even the people who are recruited are all at the absolute bottom, so then obviously the middle management kind of eventually had some vacuum. So, now all those things are put in place, the same model continues, I do not see any reason why it cannot sustain at 15% on a consistent basis.

Interviewer: I see. Say, like five years down the line, when you think about that scale, we are almost talking about, say, Rs. 20,000 crores-Rs. 25,000 crore distribution annually, which is like currently at 10,000 crore. So, how to think about growth at that scale, right, I mean, how should we think? How many branches, what kind of branches you are doing? It is a distribution, which is the most critical thing, I would imagine.

Interviewee: See, one thing is very clear that you have to, this industry has mainly been a couple of levers have always been there, one is geographical expansion, you have to keep on adding branches, so that in every year, the new branches, which are about 5% to 7% you keep adding, so they will add about 3-4 percent into your growth. Another thing is, your staff obviously has to go up and third is productivity, either in the form of more cases, which beyond the point is not possible, but otherwise in terms of the average ticket size, which also anyway comes by way of inflationary increase, 5%-6% inflationary increase and then the rest has to come by way of expanding your. Now, there are obviously other opportunities like, you can go to developer segment, you can look at other new products, you can look at self-employed and appraised income, self-employed and stuff like that, you can increase. All those things are, of course, there, but those will have to be enhanced, and the second thing is you will probably not have the edge of the pricing in terms of your GNPA being so less and all to say that. So, it is a fine balance between this. Today, I think the bank has rightly chosen or the company has rightly chosen to operate in this segment where we are, we maintain a lowest level of credit costs and lowest and manage your expenses so well so that you can still be competitive with a 2.5% kind of a spread and still grow.

Interviewer: So, it is about just branch expansion and execution and the technology platform, it is a new change which you kind of brought about. It is, I think, the transition is done.

Interviewee: It is not done. It is happening in the fourth quarter where the LOS elements will be implemented. Our infrastructure and our security components have been done in the sense that our soft-knock, almost everything is ready. Our mailing solutions have been enhanced too, you see. Our SD-WAN setup is done across all the branches in terms of our entire infrastructure for all the environments with a DC/DR, everything that is also set up. Now, in terms of some of the modules like treasury, borrowing, all those ALM and all, those have also been implemented also and already functional, but they did not have an impact on the branch performance because they were all only handled from the head office. This month, HRMS package is also going live. Next month, deposits will also be ready. So, only LOS, LMS, which is the core, will happen in the next month, which will happen in the month of January and when that happens is when the branch will have a slight impact. So, therefore, we have factored that into our disbursement target for Q4.

Interviewer: You said, Q3 will have some impact, right?

Interviewee: Q3 will be only to the extent of the training. We will have to give some training. We will have to give, so some staff will be busy in the training. We have pulled out about 25 people. We have

identified from the branches because when you are doing the testing, the branch angle is also very important. So, that we have pulled. So, to that extent, some impact will be there.

Interviewer: You are guiding with 2.5?

Interviewee: No, that is what. 2,800 is what we have done because, you know, originally we were planning to have in December implementation, but it has slightly gone back to the January. So, we said in that case, we will go to 2,800 because in the month where we implement, I expect around 200 crore-300 crore of impact definitely.

Interviewer: And then Q4 would be?

Interviewee: 3,500, which now we have toned down to 3,200 crore.

Interviewer: So, that will be 10,000 -10,500 somewhere in between. And then next year and FY'28, we keep on adding like say 15-20 branches plus the sales person that we have added like 100 sales person we have. So, we will keep on expanding and those will get to the productive level, and which will help them to achieve that 12,500 and 15,000.

Interviewee: So, we have a target of 300 branches by FY'28. We are at 249. So, which means 51 branches in the next 2 years we will have to identify, we will have to start. 20, in fact, we have already identified. It is only a matter of whether we open in Q4, or we open in Q1 of next year. But we have already identified 20 potential micro markets where we can expand. So, which will mean another 5 or 6 next year. Just 20 plus another 25 in the year after. So, that is the plan. In terms of our sales team, we are about 90 today. We want to take it up to 250 by March '28. So, that will and today the productivity is roughly around 80 lakhs. Our target is to take them to around 1 crore per staff per month, which means even if not Rs. 1 crore, Rs. 225 crore incremental business per month can come from this channel.

Interviewer: In the micro market, especially as you are expanding geography, what is the criteria? What is it that Can Fin sort of a thing? Because South is it the same playbook or because the geography is different.

Interviewee: You see, this business is purely about the infrastructure. If today a big highway is coming or some new SEZ has been announced, or some new college is setting up or a new industry is coming up. These are the places which basically spur growth and bring in increasing population. So, we always look at these kind of triggers like now there is a new airport. So, obviously, we are looking at something expansion in that belt of Noida and all those places.

Interviewer: Or New Bombay coming up.

Interviewee: Yes. Those are the kind of things we now we are looking at, this year we have opened 4 branches in Andhra Pradesh because Andhra Pradesh is looking very positive. Lot of investment is going to come. The new capital has been now finally announced and we know it is going to happen. So, we have looked at 3-4 branches in this and one we opened last year. So, totally making 5

additional branches there. We know that Delhi that this side is growing. So, there we have identified some pockets. So, that way and then like Ludhiana to Jalandhar is just around, look at that a little.

Interviewer: We have been historically very DSA dependent, right? And we have spoke about that in your FY'28 plan as well like try to reduce the DSA because I think the book is not very sticky with DSA for the industry as a whole.

Interviewee: For the industry as a whole, right.

Interviewer: So, how do you think about this reduction in the next say 2-3 years and channels that you spoke about like how to, like sales force and you already spoke about and there was some digital as well that we.

Interviewee: Today we have about 80% of the business coming from our DSA channel. We are doing approximately around Rs. 800 crores to Rs. 850 crore a month. So, 80% of that is around Rs. 6,500 crore is coming from the DSA channel. Now just imagine Rs. 650 crore and as against that we will have Rs. 225 crore coming from the sales team. 650 goes up to 700 also then also we will have 250 coming from here that itself and some walk-in customers, some digital customers who are already there not for the sales team. That will make it around some already 70,000 will automatically become. It is not that 650 is going to come down. That 650 will also slowly grow but the other portion will grow faster whereby the percentage will come down.

Interviewer: So, it is the sales people which is most important, and the branch supports the sales people or it is a target for branch, how do you think about that?

Interviewee: No, the sales people have definite targets and branch has to do the servicing and...

Interviewer: So, it is a support function?

Interviewee: It is the one which gives all the thing and of course, the DSA directly deal with the branch, sales team also gives it to the branch. So, the branch has to do the complete sanction, credit quality and collections and the sourcing will happen through the DSA channel and now with the additional this channel also.

Interviewer: As you open new branches, how do you then get to the new DSA like sourcing of the new DSA channel or new sales person? How does that happen?

Interviewee: Our own people normally are in the market. So, they do, we take people preferably from those places. They do have an idea as to what is happening. Plus, there is no nothing like an exclusivity to the DSA channel. Mostly these DSAs are operating 3-4-5 players. So, what happens is they know that these are the other players who, you know, these are the DSAs who are operating in the other XYZ companies. From there also, they try to approach and get them. And for the DSA, basically every customer is important who comes to them. Because if there are something, some

set of customers who do not fall into the existing setup and they are not able to get a loan. So, maybe we may have a USP which is different.

Interviewer: And competing with the banks itself because SBI, everybody is getting very, very aggressive. But that has been the case forever.

Interviewee: Forever.

Interviewer: There is enough large market. Housing is a large market.

Interviewee: We have to be a little below the radar of banks. If they are at 35 lakhs, we have to be below 35 lakhs. I think that is one important thing. Plus, we have to be more on the deeper geographies. Normally, what happens is it is housing finance companies who are the first to enter a new developing area. The banks must follow much later.

Interviewer: Absolutely.

Interviewee: Whenever there is there, the roads are yet to come up, the buses and transport is yet to start or have a regular basis, their construction starts happening, we are the first to go there. Later on, when the transport comes, the roads, it comes into the corporation, it comes within the corporation limit, then the banks take away the loans.

Interviewer: That is likely to kind of continue and urbanization, whatever way it is, towns are expanding.

Interviewee: Yes.

Interviewer: That is clear that rural to urban is what is the right kind of, whether it is a factory job, it is some sort of and your income bracket would be 5 lakh per person.

Interviewee: Kind of. So, we say 60,000 to 1 lakh per month family income.

Interviewer: 60,000 to 1 lakh family income is the kind of market that we have done when it comes to.

Interviewee: Yes.

Interviewer: And each geography as you expand, property laws, everything because underwriting depends on that, that expertise.

Interviewee: See, stamp duty, documentation, everything is a state subject. So, if you are there in a state, the other branches is not a problem. So, you just have to try and right now we are not entering new states, we are already there in 21 states, we have been there for a long time.

Interviewer: So, it is just densification, wherever the infrastructure is coming in those states. That is about it. So, what would be the BT outs typically for a quarter of the year?

Interviewee: See, our BT out would be roughly about 4% odd.

Interviewer: And 12% is like a rundown of book.

Interviewee: No, there are three parts to it. One is amortization. So, right now today, if I look at 7 months data, April to October, in 7 months, we have a total rundown of about Rs. 3,500 crores of which Rs. 1,000 crore is purely amortization, which is the principal component of the EMI itself. And the remaining 2,500 is where the prepayment and part prepayment remains. The prepayment is a full closure; it could be mostly BT out only. And the remaining is the part prepayment, the customers have some surplus cash, they pay it. Now, 2,500, I believe it is around 380, almost Rs. 700 odd crores is the out of this Rs. 2,800 crores is the BT out or closures.

Interviewer: And then you highlighted on the call, there was some issue in last quarter with Telangana in terms of BT out.

Interviewee: So, there in fact, we saw that almost our BT or our total prepayment increased by Rs. 200 crore during the, in Q2 compared to Q1. And out of the 200 crore, 120 crore was closure, loan closure. 80 crore was where customers have paid more money and closed it. So, the Rs. 120 crore mainly was out of that almost 45% of that Rs. 120 crore was only in Telangana. Every other state there was little increase of Rs. 15 crore odd, Rs. 10 crores, Rs. 20 crores, but here Rs. 45 crores-Rs. 48 crores of that was only in one state of Telangana.

Interviewer: That was because of competition?

Interviewee: So, we believe that is because one couple of players have become more aggressive, yes, but I believe because we took some action against our DSAs and we removed quite a few of them because we had some frauds 2 years back in '23-'24. So, now those loans are now getting are moving out or being taken out. But it will broadly stabilize. It should stabilize.

Interviewer: And the Karnataka-Telangana issue is not yet fully sorted out.

Interviewee: Not fully sorted out in Karnataka, but at least we are doing around Rs. 250 crore per month. Now, we have kind of reached that level closer to Rs. 250 crore. We are doing now Rs. 250 crore per month. So, I think we should end up with a positive around 10% positive by March because this quarter itself we will be around 4%-5%, YTD positive.

Interviewer: H2 was the impacted one.

Interviewee: Yes.

Interviewer: And specifically in Karnataka, what are incremental guidelines coming in with regards to E-Khata? Do you think the issue would get stabilized?

Interviewee: E-Khata issue will take a little while and the other thing which the government has done is that they are saying even B-Khata properties will convert to A-Khata. I do not think that is likely to

happen because the government has announced this thing. But I believe that there is a huge cost involved. The regularization fee has been kept so high that I do not think people will go for it. In fact, one of the opposition parties has already openly said that, has been telling people not to go for this scheme because saying that regularization in other states has been much less. They are unnecessarily charging too much from you, do not pay. You keep it as it is. Once we come to power, we will reduce the fees. Basically, regularization fees has to be a small percentage of it. It cannot be as high, that is basically the thing.

Interviewer: So, FY'27-'28, 30% of the book is from Karnataka, 10% is, 10% is broadly Telangana, broad numbers out of this. So, this 40% in say next two years, if we manage to increase by say 10% and then rest 60% which is Tamil Nadu and rest North East and West. So, if that can grow at the current run rate which we spoke about 25% to 30%. So, those if we are able to maintain then roughly...

Interviewee: We will be within 20% growth. 20% will come.

Interviewer: So, 20% disbursement growth we can still maintain. For that we should be able to grow 10% in those two states.

Interviewee: Yes. So, Karnataka will be growing 10% this year, no problem because if we look at the way it is happening and if we continue to do that, I think we should cross, we should be able to cross 3000 crore in Karnataka in this year, overall disbursement.

Interviewer: So, next Rs. 10,000 crore, Rs. 10,500 and then next year Rs. 12,500 crore.

Interviewee: To 13,000.

Interviewer: Good visibility of that coming in and FY'28, 15,000. And in regards to your gross stage to assets, it is just a very broader question, compared to other housing finance companies and slightly on a higher side. So, is there something with regards to policy difference or?

Interviewee: It is. Like for example, if a customer's October EMI is not paid in October, it is treated as a, in the October results, we will show it as a SMA-0 account. Most other housing finance companies, the October EMI falls beyond 5th of November. And so in October, it is shown as a regular account. They get additional 25 days to recover the October EMI and then report it.

Interviewer: So, reporting is like--

Interviewee: Technically speaking, what is SMA-0 for me is regular for them. What is my SMA-2 is SMA-1 for them.

Interviewer: So, it is just the different way of accounting.

Interviewee: Yes.

Interviewer: It is nothing to do with credit quality. And for the margins, you said that for 3 quarter, we would be more or less, can hold the margins at the 2nd Quarter, correct?. And then for the 4th Quarter, you might see some reduction because we push for growth. And then this is regarding any incremental reduction in cost of say repo rates. So, if there is a reduction in repo rates, then only we will pass on the 10 basis points?

Interviewee: No, today, irrespective of what happens in the December, on December policy, we, I believe, have a 10 basis points. There is a definite case for passing on an additional 10 basis points to the customer. And that 10 basis points also, if we pass on, we will still be able to maintain 2.75. Because today, if you see Q2, standalone spread is 2.91. And it is cyclically very high. So, actually, we were, in fact, even if you see our July earnings call, we had said we will look at a rate reduction because there was a large bank where we were yet to get a 50 basis points benefit. So, we said we expect that shortly. So, we will probably do it in September. And that is what was our year. We got that benefit in August where the rate came down to 50 basis points for that large bank. So, that was whatever. But in September, with the time of the ALCO, we saw that there was a spike in the bond rates, basically 878 basis points it went up. So, we said, let us hold and watch whether there is something adverse likely to happen. But it is not. So, I am sure that 10 basis points is possible.

Interviewer: So, falling cycle is good for us or a rising cycle, just as a cycle?

Interviewee: See, falling cycle is better for us because we normally take the full benefit and then pass it on because it is not that it happens automatically and immediately when the repo rate cut is there, because we do not come under the EBLR regime. So, when it comes, we have a...

Interviewer: So, you get the benefit first and then slowly you pass it on.

Interviewee: Then we pass it on.

Interviewer: And it will be the reverse in a rising rate cycle. You get hit first and then you slowly decrease because it hurts the EMI, makes sense. And then in next financial year, broadly, we have, we can maintain that 2.7% spread to get to the investment growth or we will see some reduction in pricing to achieve the...

Interviewee: That is an option. We can always look at that because traditionally we have been very comfortable with 2.5 and that also gives us a 3.5 NIM. With our credit costs, our OpEx and everything still is workable with the 2.2 ROA and therefore 17%-18% ROI considering our gearing of 7 times. So, that is basically the working. We can go down up to this thing, but as of now, I think this present situation is there. I think there are still a few things where we can manage. But yes, that option is always available in Q4 where we may, we can look at something to spur growth. But this is the right matrix through the cycle. You are over-earning right now because of the cycle the way it is.

Interviewee: Yes.

Interviewer: Because of the cycle the way it is. And 2.5 because that...

Interviewee: Long term 2.5.

Interviewer: And 2.3 to in a rising rate cycle, 2.7-2.8 in a falling rate cycle, but through the cycle 2.5...

Interviewee: Yes.

Interviewer: And that comes to say 2.1 kind of an ROI number.

Interviewee: ROI number.

Interviewer: So, broadly 2.1 ROI and then 15% AUM growth is what we are aspiring for?

Interviewee: Yes, that is right.

Interviewer: Just going back to the 1 lakh, the distribution, on the liability side what we need to do. We need to get into deposits, diversify your liability because...

Interviewee: See, today liability side our deposits is the highest, is the highest cost for us.

Interviewer: I understand. It is the highest cost.

Interviewee: And borrowing wise, I do not think there is a problem in terms of the raising liabilities. Today also as we speak, we are sitting on a 4,000 crore of unutilized sanctions excluding NHB. Yes. Okay. So, liquidity for us is not a concern at all. And as we grow also, I do not think that challenge will be there because one, it is a secured product. Two, it is a rating wise, it is a this thing plus the parentage and everything is there. So, I think the comfort in the...

Interviewer: So, why unnecessarily, if it was an HDFC Limited or Bajaj Housing, they will need the deposit to diversify the risk of 27:25 ___ or whatever, we don't need to qualify.

Interviewee: We do not need to. Right now, we do not need to. And we do not have any treasury, we do not have any such kind of thing where we can earn also that kind of a higher this thing. So, why go for a high cost borrowing?

Interviewer: Simple, straightforward, 25-30 lakhs, expand, keep your costs where it is, simple underwriting, the whole organization understands it, this is a sweet spot it can grow because you have a low cost of fund, you can play in this market and just keep executing on it.

Interviewee: Yes, execution. So, basically, this last 25 years, I have been seeing this market, it is purely the nuts and bolts is what is important. If you are nuts and bolts, you are very clear with that and you do not tinker with too much things, I think it is a simple...

Interviewer: With the automatic growth which is there, 5%-6% inflation, 5%-6% distribution, expansion, and then productivity and push, that is where the differentiation of the market will come between a 12% growth and a 15% growth. That is the kind of play which is there.

Interviewee: Yes, and it makes no sense to actually manage your, keep your costs low, your quality good so that credit costs are low, so that you can maintain a good return matrix.

Interviewer: You will maintain a return matrix which is like a self-perpetuating machine which can grow. Do you have any other financial questions? I had 2-3 other questions we have.

Interviewer: But yes, I think just to get on OpEx right now, cost to income ratio, you said we would be at 19.5%...

Interviewee: Next year.

Interviewer: FY'27, right?

Interviewee: FY'27.

Interviewer: And then with all these tech costs coming in, you said that there would be some kind of a benefit on operating leverage of 40 crores something like that.

Interviewee: 40 crore will be the extra net incremental cost coming in next year because of the tech implementation, because our cost totally would be around Rs. 60 crores per year. Currently, we are spending Rs. 20 crores which will stop. So, net, net increase is going to be 40 crore. That I said will be around result in a 1% because today our total income is around Rs. 4,000 odd crores. So, effectively, it will be 1% increase in cost to income ratio. But over a period, this 40 will kind of be remain steady, our income will go up. So, basically, this will get absorbed or will come down.

Interviewer: Right. And then broadly, see next year, because this year was cyclically high in terms of margins, next year the margins would slightly come down for the entire year. And then if you think about the revenue growth, interest growth, if you are able to grow AUM at 15%, the topline should grow at a lesser rate mathematically because your margins will come down. So, say 10% or 12% depending upon the margins. Still, we should be getting to 19.5% cost-to-income. Do you think it can be slightly higher because there will be some?

Interviewee: It will not be higher. I do not think it will be higher, because now there are no more things which will bring in that. It will result in an increasing cost. And even then our base is also going to go today on, even if we are having a spread of 2.5%, it is on 10% yield we are talking about it, it is on a Rs. 40,000 crore book. Tomorrow, the 40,000 will grow up. So, basically, that is always the total income is always going to be. Increasing, so the cost of income will be there and then still yield can go.

Interviewer: Then slowly it kind of because this 60 will not grow at a pace which is 15%.

Interviewee: Correct. We may be some small, some small increase and some...

Interviewer: This year we did, I think first quarter we did salary hikes as well.

Interviewee: Yes, this year it will cost. We gave almost on an average 22% of the increase in salary.

Interviewer: So, that is not for entire 3 years, that is the balance. So, every 3 years there is a...

Interviewee: Every 3 years. Yes.

Interviewer: So, next 2 years we are not facing any salary hike.

Interviewee: Whatever will be there definitely will be the increase in the number of staff.

Interviewer: It is a simple business as long as this execution we wanted to understand. I want to ask you on the smaller ticket size, which was your earlier, people have not been able to scale. Rs. 20,000 crores, Rs. 25,000 crore they just kind of, it becomes very difficult. It is operationally lot more intensive, that is why. What is it that why people cannot scale?

Interviewee: No, I mean, see on a smaller pace, you can grow at a large, at a faster pace, your growth rate can be higher. But today, I believe Aavas for that matter was right in saying that today do not expect us to keep running at 25%, you should start looking at 20% for us because we have reached that stage. I think that would not be possible.

Interviewer: It is a just a base effect.

Interviewee: It is a base effect. So, I think, like you cannot expect a Bajaj or an HDFC when it was there to be growing at 25% like some of the small, so basically it is that only. Once you are there, at least you will have to slightly recalibrate your growth expectations and still work on it. As long as it is growing and still being able to maintain that spread and margin, I mean. It is also a huge market.

Interviewer: It is also a huge market. It is also a huge market. But from our perspective, going down the curve is not a good idea because of the underwriting culture, which is very different.

Interviewee: Very different. 38 years the boys have not done, appraised income segments. Today, the existing team I do not think can handle it.

Interviewer: So, why go down a path where there is enough, this 15% is good enough. Earning 18%-19% ROE is good enough for the next 5-10 years.

Interviewee: Absolutely.

Interviewer: How big would be NHB borrowings for entire industry, like the pool of NHB?

Interviewee: It is I think 105 companies that. 93 odd companies, housing finance companies but actually they can give to banks also. I mean, if a bank is looking at it, they can give to banks also. NHB can also have some, the scope of NHB was also increased to be able to give for infrastructure lending for this government body. I mean, if a government is building some public infrastructure, they can also fund that. So, that way they have other avenues also. It is not only for refinance.

Interviewer: And we are not thinking about anything, say co-lending or direct assignment kind of a thing. It is a very small portion of I think.

Interviewee: See, today even we do have a plan when we will at least get a policy in place and see when an opportunity comes, look at it. But definitely, we will not be selling portfolio. We are looking at being in the DA being the purchasing partner. Because today, I mean, we have a 25% capital adequacy. It is not a concern. We do not have an issue of our profit being a problem. We do not have an issue of that. Liquidity is not a problem. Profitability is not a problem. Funding is also not a problem. So, if at all we do, we will be. And today we are also able to offer 8.7. So, a lot of other players actually would also.

Interviewer: So, those would be mostly non-owners of land portfolio?

Interviewee: So, we can look at being the senior partner in case of co-lending. We can be looking at one purchasing the portfolio rather than selling it.

Interviewer: And developer or to add to that thing, how do you think about that? But again, that has not been a strength.

Interviewee: That has not been a strength. But see developer on a very small basis, because we are also doing APF is not so very, this thing we can look at it. But as at least as of now, maybe no. I would wait for the tech transfer to happen, the implementation, the teething problems to get ironed out. And then we will probably look at, some small thing, maybe a Rs. 100 crore book or Rs. 50 crore book, maybe not more.

Interviewer: And LAP and non-salaried, not much.

Interviewee: Not much. We have very clearly said, even up to FY'28, we will not want to go beyond, we do not want to go beyond 20% of non-housing, we do not want to go beyond 35% of self-employed. And that also is purely documented income group.

Interviewer: Documented income group. So, it is a very straight simple format also.

Interviewer: But I think the geographical mix will change like in 5 years. So, how should we think like, just for all sense, not the numbers, but say Karnataka or Telangana?

Interviewee: That also we have said it will be 60-40 today. Today, we are close to 70-30 or 68-32 or whatever. But I think it will be 60-40 is what we ERO. Because even see, if you look at it, Maharashtra followed by Tamil Nadu, followed by Karnataka, then Gujarat and then Telangana. These are

the 5 states in terms of the size of the market. And Rajasthan is also now becoming big and Delhi is also big. So, if you are not there in the North and West, actually we are missing out Maharashtra, we are missing out Gujarat, we are missing out Rajasthan, we are missing out Delhi. So, these are large markets to not to not have a presence. And it is not that these are new markets that we do not have experience, we have teams in all these places. So, it is just about a little expansion.

Interviewer: Adding and expansion. These are large markets to not to be present. And competition is, it is a very competitive market, it has always been. But our cost advantage and clear focus is what we will continue. So, off lately, even hearing PSUs are getting very aggressive. And you particularly being in the prime segment, so any increased competition on ground that you see?

Interviewee: I am sure they know because they have definitely the difference between the rate they offer and the rate difference or the rate that any of us offer is definitely high. So, from the customer's point of view also very logical that they would prefer to go to banks. But having said that one banks are having a slightly higher ticket segment that they operate in. Even Canara Bank is 35 lakhs, other banks also probably private sector banks are even higher 40 lakhs. So, that is one difference. And once we go into the slightly interior areas, like when we say the outskirts of the city, banks are lot less. It is very operational area.

Interviewer: So, BT, what should be that number for us?

Interviewee: We do not have much of a BT actually.

Interviewer: So, it is mostly new customers, right. So, the mistakes which one makes in housing finance is just growing faster than what the organization can sort of absorb. Otherwise, it is a distribution game.

Interviewee: It is a long-term business. It is a purely long-term business.

Interviewer: Purely long-term business. So, how do you see the private equity guys? It is a large market, and it is a 5-year, 7-year sort of cycle. Tomorrow if you are after 3 years-5 years, whatever your term is, we find you at a private equity funded like a good place.

Interviewee: No, my core values will not change. So, I mean, if at all it is a private equity, it will have to be a private equity who is also looking at a long-term.

Interviewer: Absolutely. I understand that. That is why I am asking. So, 6 years-7 years, can you really build a business which is like growing 30%-40% and then you kind of, you have seen so many frictions in this sort of a thing.

Interviewee: No, see, it is a small thing. You can still say you grow from Rs. 1,000 crore revenue, in seven years, you take it out to Rs. 5,000 crores-Rs. 7,000 crores-Rs. 10,000 crores. So, that is about it. But if you are looking at a larger book and then saying on that...

Interviewer: If you want to make a Rs. 50,000 crore book, then you need to have the proper, proper culture in place. For 10,000 to 12,000 and exit, it is a good game. Maybe 15-18 and then the struggle with the promoter, everything starts because the culture and the clash will kind of come through. So, from scratch to somewhere is good. From there on, somebody has to kind of have that long-term...

Interviewee: Correct. It has to be. If you look at it, the players who have really been there for a long while are the ones, I mean, HDFC was there for such so long, Gruh Finance was there for almost 30 plus years. Gruh was around Rs. 17,000 crores.

Interviewer: Rs. 17,000 crores, that is it.

Interviewee: But then they got sold.

Interviewer: They got sold.

Interviewee: At that time, Can Fin was also Rs. 18,000 crores.

Interviewer: Yes, Can Fin was Rs. 18,000 crores. If the segment of Can Fin has more scalability, it seems.

Interviewee: It depends. I mean, it is not that eventually it is again there. Also, the culture would have been, was very much there. So, no kind of reckless lending happened. So, maybe there would have been good years.

Interviewer: Volume is three times more. For the same number, the volume is three times more of processing, the applications, everything.

Interviewee: At that time, it was 11 lakh, it would have gone up to about 17 lakhs.

Interviewer: So, it would have sort of slowly inched up. It was just the inflation of the segment.

Interviewee: Yes. Because that is almost like 6 years back we are talking about.

Interviewer: That was a crazy sort of valuation which the market gave to both the companies. And there has been consolidation now. But the culture is still there. So, you just get back to that 15% cadence and that is kind of about it.

Interviewee: Correct.

Interviewer: Great, sir. Thank you so much. We just wanted to kind of meet and just keep learning a little bit more about, we are shareholders, so we just keep kind of improving our understanding.

Interviewee: Absolutely, a pleasure. It is a total pleasure.

Interviewer: Thank you.