



“Can Fin Homes Limited

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Questioner: Back with this, we really had a good disbursement in the Q1. It's 29% kind of growth that we have seen. But that I haven't translated into a AGM growth because of the BTA out and the adjustment, one of adjustment that happened in Q1. So, what gives you confidence that you still are you will achieve that 14% guidance of AUM that you had given considering the scenario which had played out in Q1? So, from that I start.

Management: Thank you. So, to begin with, as you rightly mentioned, we have achieved INR2,609 crores of disbursement in Q1, whereas our guidance was INR2500 crores. So, we have done INR100 crores more. And we are here to see that translation into AUM growth. But to achieve that and throughout the year for '27, by the end of year for '27, we will achieve 14% of AUM growth.

To achieve that, we are working on our sales team in our sales team and expansion through our new branches, which has given good results in Q1 itself. To just to give you a perspective, out of this INR2,609 crores what we have achieved, INR276 crores was achieved through our sales team. 85 people, INR276 crores, while in the previous year, throughout the year, we achieved around INR800 crores in FY26.

Now in Q1 itself, we have achieved INR276 crores. Similarly, INR250-odd crores we have achieved from our new branches what we opened. Accordingly, we are to drive our disbursement growth. We are planning to open 28 new branches in the H1 itself. Last year also, we have opened some new branches, but that was more towards like it was spread out throughout the year and mostly towards the end of the financial year.

But this time, we have taken a conscious call that we will finalize everything and we will open the branches in H1 so that they can start contributing into our volume growth. So, to just to continue the story, with this new two sourcing channels, one is new branches and sales team, we are targeting a disbursement of INR3,000 crores in FY27. Our overall target disbursement for the -- overall guidance for the disbursement number is 13000 and we are confident to that we will be achieving it.

Questioner: INR11 crores per quarter?

Management: It's like a little bit here and there because normally it is 60-40. 60% in the H2 and 40% in or maybe 55 in H2 and 45 in because normally Q1s are little slower.

Questioner: And what is happening on that BTA out as well as?

Management: So, we have analyzed that number. BTA out, our the total number what you see in our presentation is a total rundown. So, out of the total rundown, only 4% is BTA out. The others are part payment, early prepayment, excess payment by the customer. So, we are giving the benefit to the customer.

And that we have noticed that there is no such major increase in the BTA out number as such. The prepayments have increased, the earlier payments have increased because you know, throughout the last year when the rates were falling down, we have been giving the -- we have been passing on the rate cut benefit to the customers, but we have not changed their EMI.

So, that has also resulted in increase in the principal component of the -- repayment of the principal component, higher repayment of principal. So, these numbers will be there. We are not saying that we will be able to bring it down the rundown or the BTA out numbers, we will be able to bring it down to a significant number that can impact here, but to address this, to compensate for this, we are we are chasing higher disbursement growth.

So, we will continuously we are striving to achieve a disbursement growth of more than 20% that will help us to grow our AUM by 14% and that still remains our guidance for FY27.

Questioner: So, what is NIM?

Management: NIM guidance is also 3.8 or more than around 3.8. We have been consistently guiding 3.75 being conservative, but that remains our guidance of 3.75 to 3.8.

Questioner: Now going forward, the composition will likely change because you will be having more of self-employed component and similarly, the lap is also will increase in terms of the percentage. So, in terms of managing that asset quality wise, how are we structuring some of the asset quality that we have done in the last one decade or so?

Management: Yes, so we will continue with that kind of asset quality. We are quite conscious of that and lap we are not saying that lap will increase. We are saying little bit of incremental disbursement is going towards ACMP, but that is also to just to achieve that right kind of mix to maintain our yields and NIMs and spread as the rates are going up.

But I would also like to add that we have transferred all our customers, almost 88% of our books is on quarterly reset. So, if there is any rate increase, we will be passing on that -- passing on that cost to the customers. We will be able to do that.

So, coming to your point, while we will be doing more of self-employed and little bit of lap here and there, but that mix will be only to maintain our NIMs and spread because we will also have to be remain competitive in the housing loan this thing, right? So, that will knock off.

Questioner: If you can give us color on what are the typical civil score that you see while enrolling the self-employed side also and the salaried also and I know that you look at the IT returns and everything. So, if you can give us the...

Management: So, more than 70% of our 70%-75% of our customer are having civil score of 700 plus. Below certain number, we don't do only. So, we are very -- our underwriting is very strong. Our team, our well experienced team across the branches, 81% of our sourcing is done through DSAs and they are all very loyal and very experienced DSAs. So, that way.

Questioner: And how the DSA portion will like what do you anticipate considering the in-house team that you are expanding?

Management: So, our vision for 2028, long-term vision is that our sourcing mix will be 60-20-10-10. Going forward, 60% will be through DSA, 20% through sales team, 10% each through walk-in and digital channels.

- Questioner:** And I think you are almost done with your IT implementation or is it still pending in the last bit of something?
- Management:** So, that's actually one of the big highlights for the quarter. As at the end of Q -- as at the end of our earnings was in March, we have seen that immediately on 1st July, we will roll out five pilot branches. We have done that successfully. In 1st August, we have done another 75 branches. New eight branches have been opened in the new system.
- So, as of -- while we speak today, more than 88-90 branches are already there in the new system and we will continue this phase in 1st September and 1st October and by the time we come for our Q before we come to our Q2 earnings call, we will be done with our IT implementation.
- Questioner:** 100% rollout will be completed by Q -- end of Q2...
- Management:** Yes, Yes. We are targeting something like say 15th of October is our cutoff. So, maybe before next time we come here -- implementation will be there.
- Questioner:** And any disruptions that you have seen because of the rollout?
- Management:** No major disruptions.
- Questioner:** Initial teething issues an all?
- Management:** Initial teething issues were there, but nothing of a showstopper, you can say.
- Questioner:** So, if you can highlight how that Karnataka region after the -- specifically on the city side as well as Gram Panchayat, how that is spanning out in terms of...
- Management:** City side more or less it has been taken care of by the government and Gram Panchayat still it is there, but as far as our growth perspective is concerned, we are growing now. Earlier it has come down, but this quarter, last quarter also if you see, we are touching our peak performances again.
- Questioner:** Okay. Okay. And Hydra issue on that...
- Management:** Hydra issue again, it has -- it was causing some concern, same Hyderabad also. And now we are growing at the earlier pace whatever it was. But of course, not at the peak, but the average growth what we perceive is INR150 crores, INR160 crores per quarter that -- per month, sorry. So, that I think we have achieved around INR100 crores, INR125 crores per month we are achieving in Hyderabad.
- Management:** And we are spreading cautiously there in Telangana, because even though there are no new demolitions and all, but since there this has resulted into hike of some delinquency earlier, not now. So, we are happy with what we have achieved. Over the financial year, gradually we will reach our peak of INR160 crores, INR170 crores per month.

Similarly, in Karnataka as sir rightly mentioned, we are we have improved, we have come back to that range of INR230 crores, INR240 crores per month. Over the next few months, next few quarters, we will reach our target of INR300 crores per month.

Questioner: So, currently the lending rate that we give to is 8.4 to the customer versus I think banks is like 7.5, 7.4. The gap is around 100 basis point, right, currently?

Management: 115 you can say. Our minimum rate is 8.40, whereas banks lend something like 7.15, 7.25.

Questioner: And okay, so that is one of the reasons that BTA out that you are...

Management: BTA out is very less as compared because it is around 4% as you said, which is amounting to something like INR400-odd crores. BTA out is less.

Questioner: So, when we analyze our data, our BTA out is not happening to banks. It is going to other NBFCs, mostly...

Management: [Inaudible 0:10:25] LIC housing and as well as Bajaj. But cost wise, we are the lowest.

Questioner: So, they are getting aggressive and I think LIC is now lending even in competition to banks. So, they are like trying to bring some disruption. I don't can't say here all the things, but...

Management: [Inaudible 0:10:48] loans are there, you know, in housing. First year, say I will be giving you 7.15, 7.25. Next year, I will be maybe adding some premium to it. So, all those things will be there. So, that we can't comment upon. Our ideology is not that. We are very fair in whatever dealings we do.

We are compliant to all the guidelines issued by the regulators. We want to make it that way only. So, today, we also we can say more or less is that it is interest rates or whatever. We are very much in line with the demands of the regulator.

Questioner: And our like total yield on book is equal to -- almost equal to our incremental yield. So, it's not -- there is no discriminatory this thing also that means to coaching new customer, we will attract them at lower rate and all?

Management: Yes. As you said, this year we are planning to open 28 branches, of which we have already opened 8 branches. This month, we propose to open a further 15 odd branches. In the year, in the year, of which eight we have already opened. Up to July, we have opened eight. I think the tomorrow also we are opening two. So, most likely this month, we will be completing around 20-23 branches we will be completing out of those planned 28.

Whatever the remaining four-five branches will be there, that also in H1 we will be completing. So, right now we have we are open this branches something in Karnataka. Two branches we have opened in Karnataka. Some branches are there in Hyderabad also, like say we call it Telangana.

Some are there in East, that is now it is part of Andhra Pradesh. Andhra Pradesh, this Chhattisgarh is also there. Some branches we are opening in North, our that is Delhi, Dadri, other branches in UP, some branches in Delhi.

Questioner: [inaudible 0:12:39]

Management: No, no, mostly our this time our spread is more in the central and as well as in northern side. North-West. Like say in Pune, we are opening one more.

Questioner: Basically, non-South. So, the story here is that it's not that we are not opening new branches in South. We are opening some here and there also, South also, but we are mostly expanding to address that geographical diversification.

Management: Tamil Nadu, mostly it is five that we are opening. Four or five branches we are opening in Tamil Nadu.

Questioner: So, if you can give us more color on where are you exactly opening the branches? Like for example, the catchment area, because typically the cities and ever the banks and they are mainly the their catchment area. How like how Can Fin is different in terms of location selection for branch opening?

Management: See, basically, we take our very calculated scientific studies being done where we are getting more number of heads for housing inquiries through our credit information sites and all those things. So, there we identify okay, in this places we are getting. It may be for example, some metro also we are opening.

Say for example, in Pune we are opening, in Kharadi we are opening one branch. So, most likely we will be opening this month. Similarly, again, we are opening in some semi-urban Tier-2 cities also. Like say we are opening in Chhattisgarh, that is Rajnandgaon is there, Dhamtari place is there. Like say Siliguri we are opening in West Bengal. These are all tier two cities. So, based on the inquiries that is we are getting to the sites, there we are planning and we are executing that.

Questioner: Just some questions. So, our spread if we look at like you know over the benchmark. So, is minus your benchmark is spread that you are reducing actually quarter-on-quarter. So, is there a pressure like basically coming from the BTA out which has been increasing every quarter on quarter or what is the reason that we are you know changing that spread from benchmark to credit?

Management: No, in the Q4 -- immediately after Q4, we had to pass on some benefits to the customers. So, we have passed on that 15 basis point benefit to our customers, which have it immediately after March. That impact we are seeing in Q1. So, because that since it was a quarterly reset and we are converting every gradually all the customers into every quarter.

So, at the beginning of the year, it was only 35% or 27% of the customers were on quarterly reset. Rest everyone were annual. So, every quarter we are increasing that number. So, by Q4,

it was almost more than 75. So, in Q1, we have given that benefit to those customers of around 15 basis point in the rates. So, that impact we are seeing in 3.81 of our NIMs.

Questioner: Coming down. So, basically, how much more benefit is to be given?

Management: It's all given now.

Questioner: Now it is all done.

Management: All done.

Questioner: So, base is reset now. Base is all reset.

Management: The base is all reset.

Questioner: That's a free pricing?

Management: Yes. Because now before we closed Q1, 88% were there. The other customers, the other borrowers, they have not somewhere not agreed to do this and also it cannot be done Suo Moto on our -- by our, we have to take their confirmations and all those things.

Questioner: And so, like you said that your 80% to 83% of loans are on the quarterly reset. And what is the reset period for your borrowing side?

Management: Borrow side is one maybe next month they will give us the this thing.

Questioner: Of course, we have NCDs, we have bonds. So...

Management: NCDs these are fixed. Our CPs are short-term, so that is sort of fixed only. NHB loan, part of it is fixed, part of it is...

Questioner: That would be again 4-5 years kind of a maturity?

Management: Yes, more than 5 years maturity and that that reset is annual. The portion of the thing which is variable floating is annual reset.

Questioner: So, basically, these portion like NCDs and all, so I'm just thinking if the rate is going to rise, say 6 months or one year down the line, then how the margin you know thing will look like? So, positively impact will be there, like but...

Management: But we will be still continue -- we will be giving our guidance of around more than 2.75% of spread and 3.75% of NIMs because we will be able to pass on this benefit -- pass on this rate hike to the customers.

Questioner: We are factoring in, sir, any like any policy rate change in the next 1 year...

Management: Not as of now. While the extent policy guideline, they have maintained same terms. While we consciously think that it will increase only, it will definitely not go down from here. But when

that will come, we don't see Q1 it has not happened, Q2 most likely it will not happen. Q3, I can't say that, but I -- we believe if it will happen, it will towards the end of Q4.

Questioner: So, whenever the rate hike kind of plays out, so how that like in context of your BTA out for transfer, so I think that is where the bottoming out is happening, right?

Management: Correct. So, see, as we just said, BTA outs are not happening only because of the rate because banks are always very cheaper. And LIC is taking the BTA out because of sheer competition. But still, if you just to address your perspective, when in at the time of lower interest rate regime, our gaps widen because our bank portfolio our bank borrowing structure is 60%. Out of which 50% is linked to this repo rates and all.

So, for every 1% drop in repo rate, we give INR0.40 -- 40 bps benefit to the customer. Similarly, when the rates are increasing, for every 1% rise in banks lending cost, we will increase only INR0.40. So, if we compare the lowest rate regime and the rising rate regime, then our gap will be like 1.25%, 1.15% on the lower side. This gap will be around INR0.40 to INR.055 once the rate are on the rising trajectory.

Questioner: So, basically, sir, just the observation from your [inaudible 0:19:37]. So, why have we kept, you know, like asset and liability not completely matched in the value terms? So, when we are looking at fixed and floating, so basically to take some interest rate arbitrage or there is some other reason that we have kept it like this?

Management: It's with respect to ALM, it is matched...

Questioner: And whatever volume wise, volume wise, maturity wise you have matched. But when I look at value wise, ALM is not matched. So, like, you all the book is floating on the asset side, but on the liability side close to like only two-third book is floating?

Management: No, that INR11,000 crores, on the liability side. This is customers have not agreed to convert to the floating for this thing. We are on annual rate. And this...

Questioner: This is liability, no sir. This is your borrowing side?

Management: Borrowing side, we have NHB.

Questioner: So, that's what I'm asking that on the value wise, why we have kept it unmatched. So, what is the reason for that?

Management: It's not something which you have consciously kept it unmatched. Like if you want this is something what is there in our borrowing side. We are relying mostly on banks. Our 60% to 65% of the total borrowing is bank borrowings, out of which there will be short-term loans and almost everything is this thing linked to repo or T-bill.

The remaining portion which is not floating as such is NHB, 15%, NCD, 15%. So, that is the only number we have. It's not that we have to take any NCDs. We have not raised any -- we have not issued any bond since May 2025. The last bond issue was in last year because the rates

are not in our favor. So, if required, we will once the rates are going up now, so we will always love to raise some bond and block the money there at a fixed rate.

Questioner: And so what are the typical rates like NHB offers to us versus the banks in terms of?

Management: So, NHB now there is a mix of affordable and LRS schemes. So, that is a blended rate is around 6.6.

Questioner: 6.6 NHB?

Management: Yes.

Questioner: So, any like the affordable housing space is intensely competitive and any of those players are trying to capture our market in terms of the ticket size incremental in terms of the ticket size we typically target like 25 to 30 lakhs, 20 lakhs to 30 lakhs kind of range. So, are we are kind of capturing that in terms of the competition intensity you are getting from them also in some regions?

Management: We are like by and large our competition is restricted to LIC, PNB and Bajaj. So, banks are not entering into that space and maybe what other players are doing, they are focusing more on laps and non-housing loans and all those things, which we are doing on a very conservative and a conscious thing because we want to stick to our PVC criteria and maintain that this thing of housing loan component.

Questioner: Actually, in growth parlance, we are stuck in the middle. Like banks are taking market share for the premium customer and affordable is going very fast. That middle part where LIC is also struggling in terms of growth. How you think this will eventually pan out because banks is going very aggressively, they are taking the customer with our market share. On the on the lower side, affordable housing is growing at 20%-25% plus. We are stuck in that team or that segment?

Management: So, here there is one misnomer also I would also cover that in my response. First of all, there is no competition with bank. Banks are going the that size we don't operate there much. Even though we do one or two cases here and there, between 50 to 100 cases, we mostly cater to our 20 to 30 lakhs this thing.

Now, when you say other companies are growing in affordable, so they say that they are going in affordable, but they are not actually affordable loans. They are also doing in 20 to 30 lakhs or more than 30 lakhs thing.

In our case, while we say we don't say that our 39% of our AUM, more than INR16 crores of AUM book is less than INR20 lakhs this thing. And that affordable thing is mostly into towards lap and non-housing loans and all those things. But that again comes with a yield, also carry the risk of delinquencies.

So, we have been growing or we want to grow very prudently maintaining our overall GNP, which is you see that it is we have demonstrated that for the past one decade, it has never gone

or rather for that matter, never gone above 1%. So, we are consciously working towards this AUM growth also, but by not compromising on our underwriting or portfolio quality.

Yes, we have to achieve AUM growth. For that, we have increased -- we have introduced our new two sourcing channels, which is one is expanding into new cities, new geographies and our in-house sales team. And by these two these things, we will be achieving more than 20% disbursement growth continuously and you know the AUM growth will come with a little bit of lag.

Like if you can consistently achieve 20%-25% disbursement growth and the BTA outs are somewhat beyond our control, a little bit. So, over the next 2-3 years, our AUM growth will be around 15%-16%. And for 27, we have our guidance continues to be 14%.

Questioner:

So, now typically when you are expanding into the North region, the new branches that you opened, so how is the playbook in terms of the market that you are capturing there? And because you are well known in the southern region, the Karnataka and all. So, how that you are basically that taking that this thing into the new newer region? And what is the playbook that you are focusing on?

Management:

So, here also, we would like to mention that when we say we are opening in South North or something, it is not that we were not present there. So, we are opening into new cities, but that geography is not unknown to us. Our zonal heads and our staff is very well experienced. They are having more than 30-32 years of experience of those markets.

This opening of new branches or expansion is mostly to address the geographical concentration or rather achieve the diversification. Like till one time point of time, it was 70 30, 70% South and -- 80% South or West is non-South. So, gradually after this Karnataka and Telangana, these things because if you are heavily concentrated in one location, one or two issues can put break on the entire growth, right? So, we are opening there.

So, the experience is there and there is no such our ethos and our that we are a construction finance company, we are a we finance to salaried customers, we do to SCNP, all those is by and large common. You can add something.

Management:

Basically, we are right now operating with say six zonal offices. This caters to up to three are there in the southern part. And then again in North, we do have like say I told that Jaipur we are having one zonal office. Again, we are having one in Delhi. So, basically, wherever we are opening this, all the senior people are there who are the zonal heads.

Moreover, for this local states wherever we are the this opening the new branches, our hiring is also for the local guys only. Of course, with a component of one experienced that was two or one new guys. It is not that the ethos of the company is not being maintained. It is there. And moreover, since I told you that we have done a scientific analysis where the demand is there for housing segment or the sphere in which we work of all.

So, let's say housing, it is there, non-housing, it will be there. So, wherever it is there, in those places we are going for opening of the branches. And moreover, in the process, what happens,

it diversifies us and instead of only a South focused organization, now we are moving to the Pan-India level thing.

Like say even for example, this year we are adding say three branches in that state, Chhattisgarh. So, earlier we were operating only with one, two branches. Bhilai as well as Raipur. So, there that expansion is because the two people are already there. So, we one we are opening in say Rajnandgaon, one is in Raigarh and other in Dhamtari or something like that.

So, that places are also there. So, that will be taking care. So, our people are there and hiring is there. Zonal heads will remain the same. So, that's how it stands out for us. And more or less, it diversifies us from any like you said that e-Khata issue was there in Karnataka, like say Hydra issue was there in say Telangana. So, now with the diversification in or entering into new geographies, concentrating our business over there, this type of risk also will be limiting going forward.

Questioner: And in terms of leverage, what is the headroom that we have going forward to like the guidance that we have given 3000 per quarter of kind of disbursement growth?

Management: So, right now our gearing is 6.18 and the rating agencies and regulators are comfortable with the level up 28. So, with the growth which we have guided and increased AUM growth, we will try to or we will maintain our gearing is at around 7%. And our capital adequacy ratios are quite stable, much above the required number, around 23%. And with the kind of profit which we are generating, I don't think -- I don't see a challenge in that ratio, nor do we feel that there is a capital requirement in the near future.

Questioner: So, like the what is the IT exposure that we have specifically in the southern region, the loan that we give to?

Management: 6%.

Questioner: 6%. And any early pressure that you are seeing in that?

Management: Not as such, no. Not as such.

Questioner: And what are the key monetary that you are tracking currently in terms of asset quality that you have maintained? Which are the key indicators that you are looking at currently across like the monsoon thing and everything? So, any early pressure warning signs that you are seeing in a certain geography or the pockets?

Management: No, not as such. Not as such with something which is very specific or which is geography specific. We are continuing with our underwritings and improving our systems, our early warning signals and using the software tools like Perfios, checking the documentation. We have implemented some two new vendors, Mataram and Velocity to do the valuations properly.

So, just to whatever we have learned and experienced so far, we are trying to build around new processes and controls and we are applying that throughout our branches all across. Like 100% of new loans documentation, document verification is happening. The valuations are getting

triggered through a value so that there is no bias or some valuation is done by some their preferred valuer.

So, these things are being done and checks and all we have the after disbursement also we have a CRMS team, customer relationship this thing, which is checking post-sanction when the when the file comes for disbursement to the RO, central team, they are checking all the recheck of some go/no-go decisions they are taking. So, they are applying these things.

Questioner: And so when a customer walks in into the branch or something, so what is the typical day that you close that deal and currently and what was there in say 3 years back or 5 years back? How are you kind of optimizing in that?

Management: So, to answer this, you know, for the past three years and now also, 81% of our sourcing is done through our DSA and the DSAs are like long associated with us and they are very experienced in this housing finance organization. So, by the time they come to us with the file is almost 100% complete.

So, we then our experienced team will take it and get ready with the sanction within 2 days. Thereafter, the customer has to provide other documents for valuation, search and other necessary title checks and all those things. So, if that is done, it will come to our RO within one day. We will do take that go/no-go decision. Our CD team will disburse our we have a tie-up with our one PSU bank where entire process is automated for disbursement.

Questioner: And what was this the time frame that you mentioned currently?

Management: What was the See, earlier days, of course, it was all everything was being done by our local branches. Earlier, the principle was not the centralized one. So, earlier days, of course, right now we do have only that sanction part is decentralized. Apart from it, disbursement and other things are centralized. Including now we are moving to a situation where we will be doing 100% of credit review before disbursement.

Maybe going forward, maybe coming quarter or maybe after that before this end of this financial year, we will be implementing that manual process. So, still we are there in a check and check and balance we are putting for some branches here and there, state-wise maybe. And that will be proposed to take it forward for 100% of the so that basically what you are referring is if you take it on an average, once we receive all the proposals, so basically it is 3 days. On an average.

Questioner: Well, so some of the open company they move from check handover to realization basically this quarter. So, do we see any impact when we are or we are on DD...

Management: We are always on DD. We never get with checks. And till last time, till our March and all, whenever we have issued DDs, till the time it was handed over to the customer, we were reversing the interest. But now with so many these things in our new system, whatever we have implemented, there the interest optic will the interest meter will only start after the DD is handed over. So, for us, I don't think there will be a major challenge.

- Management:** That is the same thing that we are continuing. As per RBI, we can for the date of handover of the DD only you can charge. So, that anyway it is already in place. So, you don't have any don't foresee any impact.
- Questioner:** And slightly broader question. So, we had discussed this with code also. So, like we are planning to go in unfamiliar region. So, basically, we will increase more of non-South with new sourcing mix and with going into SCNP?
- Management:** So thing is that like you know, so given that scenario like in '28, so how the things for you would look like in terms of in cost income that is you know just coming to number but broader picture is that you are getting into new segment with new sourcing mix and in the new geography incrementally the pie is increasing in the -- all these three regions, all these three things.
- Questioner:** You are saying neither new geography new neither?
- Management:** Yes, so you are getting into newer geography. And the segment which is riskier with the new sourcing mix, digital and marketing. So, first of all, these are not unfamiliar or uncharted paths for us. Just that the concentration of business, we are more strong in South, mostly a South dominated company with presence with meaningful presence in North and West as well.
- So, all our branches are very old in North and South. It's not new branches. So, the geography is not new. And when we say we are just changing the mix a little bit towards SCNP, there also we have been doing SCNP since long and as I mentioned, we don't do SCNP on an appraised income basis. It's fairly documented.
- Rather, it's always on a documented income proof only we are doing this. So, that appraisal, civil score, ITR returns, on that basis only we are doing and we have not -- we have been doing it since quite long. Just the mix is incremental disbursement mix is going more towards that. Till now, we have not faced any challenges with respect to delinquency or increased delinquency or credit.
- In fact, our 6 quarters in a row, our delinquencies are coming down. Our SMA 0, SMA 1, 2 are also under control. That said, this is again the SCNP thing is just to achieve a right mix to maintain our spreads and NIMs. Not with the target that we will increase SCNP to achieve higher yields and all.
- Our housing loan is also growing, our SCNP is also growing. The mix might a little bit be right sized according to the vision 20 document. Geographies, we are there and I think there is no differentiation between that we are doing only salaried in South or only self-employed in North. Thereby, it can lead to an increase in a concentration in one pocket.
- Throughout Pan-India, it's just like a monolithic homogeneous business only. If you see that there is no major change between a salaried customer for an underwriting parameters that we are giving such kind of loans to a South salaried person, but we are giving a different on a different benchmark for the North salaried or SCNP. So, the overall credit and underwriting remains strong and robust. So, we don't see a challenge over there.

- Questioner:** So, you are confident that your new sourcing mix, which is in terms of digital and the new marketing team, would be able to venture into the new market with a new asset, slightly new asset class, and we still maintain the asset quality and improve margins?
- Management:** Yes, yes, that's right. Because our new sourcing mix are walk-in customers. Just that the sourcing is little different. For our sales team also, we have done tie-ups with our approved APFs. So, we have 330 approved projects now. So, from once this sourcing will change, the customers will come. But the underwriting and the appraisal, loan appraisal, the controls around it are all common.
- We have to in -- we have to chase disbursement growth. For that, we have to get some win some incremental business. So, the same thing cannot by chasing DSAs only we cannot we can achieve but that will again lead to some other problems. While we have to chase our disbursement growth, we have to also address our concentration risk and other risk associated towards it. So, that's how we will achieve our growth slowly, but it will be a sustainable one. That's how we believe it as of now.
- Questioner:** So, slightly different question. So, like, we have shown, in terms of our asset quality, that, we, able to achieve, JNP below 1%, throughout the, cycle, like long cycle. So, in a way, it creates a, sourcing, mix for the, operator of the bank, like earlier, there was a case that, once your loan is approved, by HDFC, the other bank used to, rigorously, kind of take, take those customers, at much lower rates. So, in your analysis, have you come across, something like this, where the other housing...
- Management:** Yes, so, in fact, it is right only, key ones, the loan is there in, Can Fin books for 18 months, so, it has proven all, not only the, credit underwriting, but also, established, repayment track record. So, these are, BTA out, these are, good attraction, for BTA outs. So, but that, that cannot be, our, guiding factor, we cannot do anything, about it, it's a fair market, regulators are, there is no, we don't follow, any restrictive practices, that we will not give you, the SOAS, we will not give you, the foreclosure amounts.
- So, we will have to, continue, to excel in our, service standards, our connection, with the customer, and our transparency, like we said, we are the first ones to, give the rate cut, benefit.
- Questioner:** So, the customer has given, got the rate cut benefits, throughout the cycle, when the rate goes up...
- Management:** That was what, you were earlier, had a 1 year reset, now that you kind of, seen the, BTA outs and, then you kind of, shifted to quarterly. So, I think,...
- Management:** But that was not to, that time also, the idea was consistent, or the goal was, consistent only, we have to convert them, into quarterly resets, because once the rate goes, upwards, we will be able to, pass on that benefit, and we have consistently, given to everyone, it's not that, someone has missed out, quarterly, when we say, annual reset, that doesn't come, only after 1 year, every, every quarter, some or the other customer, was coming under the, quarterly reset, this thing,

because that's the, rolling thing right, not all loans, were given on 1st July, that next July only, we can give.

So, there was a little bit of lag, but everyone got that, rate benefit, so that's how to, this point when, when some part of the, customers were, pending to be given, even after 31st March, there was no, new rate cut, but we had given that, this thing, rate cut benefit, so that, that lag continued, so now, it's more about, transparency, it's more about, customer experience, so, it's an open market, someone is, getting a, cheaper loan, the regulator, wants it that way, they can come, we can, again, stay with us, taking the new loan,

Questioner: And the credit cost, that you maintain, [inaudible 0:43:28]...

Management: Yes, it will be, [inaudible 0:43:30],

Questioner: Thank you for that.