



“Can Fin Homes Limited

Investec roadshow - 11.08.26 to 12.08.26 (11)



Questioner: Thanks a lot. So, if you can first touch upon, we have stated that we want to increase the mix of our own self-sourcing, right, through our employees or digital channels, right? If you can start with what does it do to our ROE tree, right? Which 9 items get changed from this mixed shift matrix, right? Probably, it could be one 9 item which materially differs. Are there other moving parts in the ROE tree because of this shift, if you can start with that?

Management: See, one thing is, you know, we have -- the sales team that we are setting up is purely on the roles of the company. So, basically, you know, there is an additional cost attached. Unlike, you know, DST team or something where they have a very token INR15,000 salary and an incentive. Here, it's a proper salary. So, the starting is something around INR36,000 to INR38,000 is the monthly salary that the officer level person starts with in this.

So, there is a -- when you look at a DSA driven business, we are having a 0.5% payout. So, effectively, if you compare the same calculation, then at least about 80 lakhs to 90 lakhs is the business that this team has to do for it to be accretive compared to DSA channel. Currently, yes, they are doing about INR1 crores to INR1.1 crores they are already doing. So, there is a little bit of advantage that we have in terms of the cost because there is a lesser cost attached to it.

However, of course, it may not reflect completely because when the DSA payouts are there, they are amortized over the period where it is a salary. So, it's upfront -- the whole thing is upfront. So, in fact, in the sense that whether it is cost, whether it is in the accretive on the ROA tree, presently not as much.

But in the long run, if you look at it, yes, because this is a channel where we will have a sourcing. There are other advantages in the sense that it gives us a choice of the customer we want to onboard. Because when it's a DSA, they will bring the cases. We have no other option. Whatever they give, we have to choose from that. Whereas if it's our own team, then we have a choice of what customer to onboard.

That is one choice. Plus the fact that DSA driven business has a little risk of takeovers, PT outs, which is a little less. So, these are the basic. Plus, of course, the fact that we wanted to diversify and not only rely on DSA channel.

Questioner: When you say 50 lakhs to 90 lakhs, what does that mean?

Management: It means at least 80 lakhs. Like, for example, if they have done INR1 crores, a DSA would have brought -- they would have paid INR50,000 as an incentive. Here, in fact, since they are already getting 40,000 approximately. So, they will have to do 80 lakhs.

Questioner: So, this is on what time period?

Management: Per month...

Questioner: Per month. Per person has to do it.

Management: Per person has to do it. And they are already doing that. They are, in fact, already doing better.

Questioner: So, this number that already INR1 crores per employee, right, this could also be skewed by the vintage of the answers, right? The newer set of employees, which we are now trying to scale, right, they may not reach the INR1 crores average number very soon, right? Because we just started this employee base increase, right? It is also INR1 crores. Once the employee base scales meaningfully, which we will need to scale. This INR1 crores number drastically shifts down. Is that the right understanding or not?

Management: In a way, yes. But let me just share. Like, when we first started off in FY25, so June '24 we started. We started with about 8 people. We just pulled out from the [inaudible 0:04:05]. Slowly, we increased it to around 37. Last year in July, once we took the approval and we again increased it from 37 to 82. Increased it from there to 80, 85 people.

So, within a period of 4 months, they were able to reach that 80 lakh plus. It is not a very long period that it takes for the team to reach. However, in a way, what you say is right, because when we are taking about 100 people, not all of them will be able to perform. There will always be some laggards, some people who will be non-performers. So, they will drag the average down. So, that is a given.

Questioner: So, this brings to roughly 2-2.5 files for employee to be converted files.

Management: Yes, it is 3 plus because normally average over there is around 30 lakhs. Okay. We are taking about INR1 crores, 3 plus.

Questioner: [inaudible 0:05:08]

Management: Disbursement target, we are making on 23%. But ADM obviously will come with a slight lag. So, it will eventually keep growing. So, right now, we have last year achieved more than 23% - we have achieved 23% growth in our disbursement. This year also, we are targeting 23% growth in our disbursements.

So, basically, disbursement growth, which is a direct impact of all these Karnataka, Telangana, and all those issues, there, in fact, effectively, we are having a higher growth. And we are targeting a higher growth in these places. So, AUM is an outcome which will eventually reflect.

Questioner: So, on this point, I have always wondered particularly...

Questioner: Sorry. I was just asking that I have wondered that why we focus a lot on the disbursement aspect. AUM, of course, is an outcome. But that outcome number primarily has to impose disbursements and repayments, right? Repayment, BT out, repayments, everything put together, right? We focus too much on the disbursement part, right?

But what should structurally change in this company as well as in this dedicated monoline housing finance phase so that the volatility in the AUM growth that we project at the start of the year, many a times it gets -- the outcome may not reach to the targeted number because of repayments being higher, right? What can change in the process so that the volatility moves?

Management: See, we have been sharing our repayment and numbers on a regular basis. For the last two years, we have been sharing this. So, we have the data of the last five years. So, this is, of course, something which, you know, within a quarter we come to know what is the trend. So, we can

always, you know, the corrective action will have to be if the repayments are higher, you will have to do more disbursements.

It is as simple as that if you want to look at AUM. You have to take the corrective action. And you do get a feel in the market as to whether any BTA outs are increasing or things like that. And we do get the sense that our BTA outs have been properly stable at around 400%. So, BTA outs is not the thing as much as a concern as the part payments which are coming first and all.

Questioner: This time around, this has impacted us much more. But is there a behavioral trend to that that we can monitor if these one, two, three, four, five factors happen in the economic setup? The prepayment rates tend to be a little higher.

Management: So, one thing is, you know, that always in the past Q3, Q4 or particularly Q4 has witnessed higher repayments because every day the competitive intensity is increasing. The second thing to this thing is the interest rate differential. Today, if you know there is an aggressive player who offers a very high rate and targets, they can obviously poach. So, some of them are more to do with the competitive landscape or the strategy of the competition.

So, these are the two major factors, or rather three. One is the competitive landscape. Second is the interest rate structure because if you know today, for example, the difference between a bank rate or what an LIC is offering and what we are offering is almost 125 basis points. LIC also offers at 7.25. We are offering at lowest is 8.4. So, 115 basis points is the differential.

Before the repo rate cut cycle was there, our best rate was 8.95. SBI's best rate was 8.4. So, the differential obviously is one of the factors. The second factor is competitive, you know, strategy and all those things.

And the third is, of course, there was a cyclical thing about the Q4 where everybody tries to poach and hit the business for that. So, we do monitor all these three things. And interest rate is something we cannot control completely. But the rest of the things we can see what is happening and accordingly start planning.

Questioner: Most of our interest rates will change, right?

Management: No, we have a quarterly reset. So, it will happen at the quarter.

Questioner: Yes. The borrowing side, how it would be?

Management: On the borrowing side, normally it happens in the next month. We have about 60%-70% of the SBI which is linked to floating rate of the liability state.

Questioner: So, that will happen very soon.

Management: We will have a one to two months lag or average one and a half month lag.

Questioner: So, actually speaking over a slightly longer period, there will not be major mismatches in terms of like, you know, in other products there are.

Management: And even we had, in fact, earlier we had almost 70%-80% of our assets were on annual reset. So, when the rates were going up, obviously, we were negatively impacted. Because the liability side would go up, I said we would not be able to pass it on immediately. Now, we have corrected that now with the quarterly reset.

Questioner: So, almost the entire book is quarterly reset?

Management: Almost. We have about less than 14% which is still on annual where customers have opted to continue or have, you know, not responded.

Questioner: [inaudible 0:11:05]

Management: No. On the liability, it happens in the next month. So, the repo rate has changed. We will get the indication that it happens in the next month.

Questioner: Incremental DSA mix. So, I think 70% is the target we want to reduce the DSA mix, right?

Management: Yes, but by 28 we want to make it 60%.

Questioner: 60%. So, this 30% non-DSA mix, right, what sort of AUM -- this is on the sourcing, fresh disbursements, right? What sort of mix should we assume on the AUM side?

Management: Again, like AUM, it will come gradually. It will come slowly. So, at least incremental we are able to bring it, we would, you know, start seeing that reduction coming forth.

Questioner: So, the increase in the opex ratios and the consequent benefit that we would receive on higher yields, that will be a gradual shift and not a meaningful shift to hurt the ROI tree?

Management: Correct.

Questioner: So, when we are increasing our in-house sourcing, I mean, for the next one year or two years, we will see increased number of employees coming in or where does it start tapering?

Management: No, employees, in fact, we are not -- this year whatever 70-odd we are talking about for the sales team will probably be pulled out from the existing team. Because this IT transformation will give us some advantage in terms of our productivity, diets and all those things. And then efficiency benefits will kind of have to be there. So, we might be able to do it without having to add much staff for the sales team.

Questioner: So, then on the sales side, can we say that this year is like -- I mean, after this year, we won't have a higher efficiency?

Management: No. After that, in fact, is a proven model. If by adding people, I am able to do better, then that is a good way of increasing our volumes. So, this year our target is to make it 150 people. Next year, we will take it to 250 people.

Questioner: So, in your own analysis between [inaudible 0:13:33], and this 3.4, one is, of course, the cost-benefit. So, how has been the experience so far in terms of, you know, which one is better? One

is obviously the cost side, but what are the other benefits or do you feel that DSA is better in some sense?

Management:

No, DSAs have always, I mean, they have supported us. So, we have not had any problem, no reason to complain in that sense. But, see, the existing sales team, they have been able to target, you know, builder segment and get APFs. We have more than 325 projects now. They have been able to build a rapport that is giving us more market visibility and presence.

There is also that, you know, they are able to select a better customer profile or at least a choice customer they can pick up. Ticket size average is slightly better than the ticket size of the DSA source customers. So, there are some small, small such advantages out there. We are already, you know, seeing it.

Questioner:

So, I think we did not do much of DSA. Now, how much is the proposal?

Management:

No, builders, we are not funding to builders.

Questioner:

Okay. So, you are not funding?

Management:

No, we are only doing that APF types. Project, we will do a legal and technical approval. And then the cases which come, we have to work with credit appraisal and we can sanction and process.

Questioner:

But I think in one of the weird forms and all, I have heard that if there are a lot of people from the same building that are coming to take loan, right? There is a good apartment coming up. Then probably you may go and fund that same builder.

Management:

We don't do much of builder funding. In the past also, it has been a little less, okay? Very, very selectively, very small.

Questioner:

And just one thing. Obviously, it's very similar to what other companies are also doing. So, obviously, turnaround time and all those things are important. So, what are the key four or five factors where Can Fin can be preferred as compared to someone else? Apart from the benefit of the industry. You will be a little over because of the parentage and everything. But what are the other factors where you may prefer?

Management:

See, we have a local sanctioning, which is a major, major advantage for us. Because 75% of the sanctioning happens by the branch. So, when a customer walks in, the branch manager is able to assess and immediately give a yes, no or go, no go types. That's a big advantage. Whereas, you know, it's there, you have to wait, you have to look at what is happening.

Questioner:

And turnaround time? How can it differ with the others? The same way.

Management:

Turnaround time, I think three days we are able to give a sanction. That's not a problem. I mean, there's an APF and all, it's even faster because you only have to do credit. Given a legal technique. You already have the legal technique.

Questioner:

[inaudible 0:16:41]

Management:

See, it is not that everybody, you know, if that was the case that, you know, everybody looks only at the rate and all the loans go to SBI. But that's not the point. There are various other things like, you know, convenience, being able to give a better service. There would be things like certain particular segments or areas or type of properties where we would be funding. They would not be. So, there are various kind of things, you know, proximity to the branch. So issues like that are always there. So our advantage one, as I mentioned, is the local sanctions. So, we are able to do it.

Two, when at least the TSAs who have been with us, they have been probably most of the TSAs who are now performing and have been with us for a fairly long time. So, they all know the company. They know the product. They know that what will happen, what will not happen. So, then they also collect and quickly get it, things move fast. So, they also have a preference to us, to Can Fin. So, these are some of the things. And, of course, little deeper when you go, you don't have the larger players present in that kind of job.

Questioner:

[inaudible 0:18:09]

Management:

See, in terms of the self-employed segment, we are -- earlier it was like we were doing less. But then we were also doing where it was on the basis of CA certified IT returns. But now, all those things are gone. We are only doing based on the IT returns which are uploaded on the portal. We download from the portal. Customers, you know, ITers and all, we take the consent, take the download from the portal and then analyze it.

So, the assessment is much more reliable and based on certain documentary evidences. It is there. We have also spent them in terms of what we call as a PSVR where the property, the residence, employment, and the business have to be verified in person by our staff. And for that, we have a mobile app. Our photographs have to be uploaded with geotagging and all those things. So, it at least ensures that in terms of the process, there is a tight control. And that is basically the thing.

Plus, you know, post from 2023 onwards, one is we have centralized the disbursement. So, there are a lot of additional controls with the CDD or the Central Disbursement Department is verifying. Plus, we have added one more which is a credit review monitoring. So, the credit review monitoring also reviews all those cases before the sanction. Or as the sanction happens within 24-48 hours, they are also verifying. So, there is these additional checks and balances have been built into the system.

Yes, we have basically S1, S2 plus S2 and S3. And we have annual review also. So, even if a customer is in S2, it later on can become S2 plus or it can become S3 also. No, the parameters are not reviewed so frequently. In fact, they are reviewed very rarely, once every three years kind of thing. But the customer who is once rated with after 12 months, the customers will be re-rated. So, suppose a customer is in S1, but in the 12 months has been defaulting, they are having a couple of checkbounds, then they will be downgraded to S2.

Questioner:

Structural question. Our ROE profile is pretty strong, right? There are patches in the loan growth cycle, right? If in a certain patch, the loan growth is not as high, but our ROEs are higher, right? Can we think of increasing the payout ratio? I have seen that payout ratio gets stuck at the 20%

mark. It was much lower in the past three years, which has been to the 20% mark. Can we increase the payout ratios just to maintain the leverage part of it? And particularly in our case, housing is anyway lower capital consuming product, right? Can we think of increasing the payout? What are the dynamics there I might be missing?

Management: See, payouts once gone will not be, will not come back. So, basically, if you are looking at a long-term kind of a thing, there may be a time when you may have a slight like what has happened with us, where growth has been lower than the ROEs and all. So, we have actually leverages come off. But now that the growth will be there, we will be able to have a longer runway to sustain without having to go to the market. So, I think the dividend payout ratio today at 20% is quite healthy. So, we are paying a 20% dividend.

Questioner: [inaudible 0:22:16]

Management: I think today, in the medium term, I think in another two years' time, I think a 16-odd percent should be fairly, we should be able to do that. And then if we continue to grow at 20%, I think we will be able to sustain. 70% we will be able to sustain.

Questioner: Disbursement you mentioned should be...?

Management: 20%, which is not a very difficult task.

Questioner: But the larger part of growth will be again south or even in the north-south?

Management: Now, in fact, we have a very well diversified mix in terms of the branches and in terms of the contribution. We have -- just Karnataka and Telangana are doing about 45% of the business in the past. Today, in fact, it's a fairly well distributed part.

Questioner: And usually, what is the life of any loan that somebody has taken?

Management: On the books, it stays for about around 8 years. So, we may be giving 15 years, 20 years, but it stays for 8 years.

Questioner: So, that means whatever repayments happen, it's after that. And what kind of charges and all are there?

Management: Zero charges.

Questioner: And what about the other banks or NBFC?

Management: Actually, basically for a floating rate loan, we do not charge any particular charges. That's the guideline.

Questioner: So, when we are opening a loan, there would be some certain cost.

Management: There is a processing fee, which is basically, mostly in our case, we do as a lift. It's almost like the cost that we incur. We have incurred the cost of technical. That is evaluation. We have to do the legal, we have to do the civil pull. Then document management.

Questioner: So, that is whatever you incur, most generally you charge it?

Management: We charge. Maybe it's a little thousand...

Questioner: Are those companies charging more?

Management: Yes, affordable housing finance companies definitely charge more. In fact, the processing fee and fee income and non-interest income ratios are much better.

Questioner: I'm just trying to assess the, you know, if you exclude all these, I think as a customer, it is -- Can Fin may be better?

Management: That is precisely the point. As a transparent lender, as a fair to the customer lender, I think Can Fin is definitely better. Like, for example, we don't insist on insurance. We give the flexibility to the customer to choose on whether to take insurance or not for the loan.

Questioner: Insurance on the?

Management: Life insurance.

Questioner: Okay.

Management: Then as to even if they want, they can take it from us or from their own. They can also say that we want a part-time partner.

Questioner: So, life insurance as well?

Management: Life insurance, we have a tie-up with two of the partners, Canara HSBC Life and [inaudible 0:25:41]. And non-life also property insurance is mandatory. So, we are taking that. That is 100% mandatory because that is security we are funding immediately. But those are very small amount of premiums.

Questioner: And whichever property you are, I mean, whichever customer you are giving loans to, they are generally taking new -- when they are taking new house, is it all ready houses or they are under construction?

Management: No, no, under construction is a very large component. 58% of our book on the book is where it is under construction.

Questioner: And I mean, very close to completion or it is like?

Management: No, no. It can be anywhere.

Questioner: That can be anywhere. Just launched also.

Management: Yes, Yes.

Questioner: So, then I mean, just to -- how do you then, let us say, if the project goes into a limbo or something happens, you have to do studies on the builder and project as well or...?

Management: No, most of it is self-construction. So, the builder and all is not there.

Questioner: Largely it is self, okay. I am thinking more for building.

Questioner: [inaudible 0:27:04]

Management: See, in terms of our affordable housing, we are doing ticket size below 20 lakhs. We have almost INR16,000 crores of book where the ticket size is below 20 lakhs. So, it is not fair to say we are not doing small ticket. The only thing is we are not doing where the documented income proof is not there. Generally, in the market, you know, affordable housing finance companies are considered those which are doing appraised income with charging 13%, 14%, 15% rate of interest and all. In our case, we are doing only documented income category. Therefore, even though the ticket sizes are small, we are not considered as affordable housing players in that sense. But today, we have INR16,000 crores book which is, you know, 20 lakhs. So, that is one thing.

If you were to get into that pure affordable, which is that, you know, where the appraised income is there or the documented income is not there, then in such cases, I think, we will have to re-train our people. Because they all, for the last 30, 38 years, have been doing, you know, documented income category only. So, it will be possible, but it will take time.

As of now, the last Board, whatever, you know, strategy meeting we had in 23 and for the five-year strategy, we said, let us focus first on the low-hanging fruit, which is the segment mix, self-employed and product mix, housing, non-housing. And let us look at a few other things like, you know, geographical concentration. So, now that we are almost where we wanted to be, probably we will once again take a call as to what we want to do, whether we want to develop the finance.

Develop the finance, we have done, we already have a policy. But whether to pick up some and build a portfolio. Affordable, whether to start, how much to start. Because even if we do, we will start small and we will build slowly. We don't want to be suddenly doing INR2,000 crores in a year and build a book so fast and then cry later. So, that is one thing.

LRD is a, I mean, not something we have done, not something immediately we are looking at or even for that matter, you know, organic growth like buyout or [inaudible 0:30:03] or things like that. It is something we are presently not very keen. We will see. Definitely, even if at all we do build the developer finance a little bit and affordable housing. That is, of course, according to the Board approval and all.

Questioner: [inaudible 0:30:19]

Management: So, yes, the next thing is to go on 28. But we are almost there. So, we will be deliberating and we will be discussing. Not necessarily that it will be 28. It will be before also. But Yes, I have been talking about it.

Questioner: How is the competitive surveillance in the regions where you are?

Management: Competition has always been there.

Questioner: Is it increased in the last few years?

Management: No, not much. We have had competition. It is always there. Everywhere, everybody, if not this. The pace of the competition may change a little bit depending on the geography. But everywhere it is there. But I don't think for the kind of pace that we have and the kind of aspirations of 20% plus growth for disbursement, I don't think that is a problem. The market is big enough for all of us.

Questioner: No need to get aggressive and do anything. With your pace, you can get to that point.

Management: Yes.

Questioner: With similar kind of growth.

Management: 20% disbursement growth. Already we have triggered or we have initiated our sales team. We have done our branch expansion and now it is happening. It is a tested model now.

Questioner: With our own sales team getting launched and being re-engineered entirely, would this happen that our customer who also would have come to us from the DSL channel is now being approached by our own sales team? So instead of having both areas of sourcing coming in, some bit of sourcing is getting re-channelized just from DSL to our own employee. Will that happen or entirely we should open up a new pool of sourcing for us? If the second case is true, the disbursement growth number could be higher than the 20% number also.

Management: Ideally, we have a simple login system where it is already locked with the source. So within six months, the source cannot change. So if a DSL has brought it, the same case cannot eventually be put under this pool. The new model will immediately catch it. And we have a six month. Now after six months, the customer may...

Questioner: Entirely find a different case.

Management: Yes. So that's there. The idea is obviously that the sales team has to generate or bring in a delta and not do the same business as being done by the DSLs. Obviously, that's how we do it. Some overlap in some, like, you know, if it's a project where DSL also goes there, our person also goes to meet the builder. So those kind of things do happen. I mean, we cannot have that level of exclusivity on the ground.

Questioner: Sir, there's a pipeline of files which are in the discussion stage or maybe at various stages of approval, right? Are you seeing that the pace of logins for file is reducing for at least listed real estate developers? We have seen some moderation in the bookings that they might be receiving, right? Real estate prices are also not increasing very sharply, right? And they are not falling, but there's a stagnation in the real estate prices.

And this I am witnessing in beyond the urban markets as well, right? So at least my understanding was that if your real estate pricing is very booming, then construction activities, somebody looking to construct their own house is also much more keen when the prices are going up. Are you seeing that pace of logging moderating or plateauing rather?

Management: No, we are not yet there. The implementation is happening. The next step will be where we will be going into all the digital journeys and all those things. As of now, if you ask me, we are not there.

Questioner: How long will it take to get?

Management: So once this is done, I think that the CRM and all probably will be another six months. By the end of this financial year, we should be ready with CRM. If you just CRM and all those things, you're just going to launch RFP, I think it could have come or just be coming.

Questioner: [inaudible 0:35:02]

Management: No, no, right now, as I said, the digital entire journeys and everything is yet to happen.

Questioner: [inaudible 0:35:13]

Management: Or the sales team has to log in and do it?

Questioner: So in your conversations with investors, what's one or two things which is underappreciated or overappreciated? You feel that people are too much anchored on these two things and too less anchored on these two.

Management: See, I believe there is a philosophy for Can Fin that we are always been a little conservative, fairness to the customers. So I think that is something which I believe.

Questioner: There is an ethos.

Management: Yes. So I think, you know, when you're talking to Can Fin or when we are talking to investors, that is at least a bare minimum kind of understanding we would like to put. Sometimes, you know, there is too much...

Questioner: Fine.

Management: I mean, there's always a question, why not? We are what we are. We have been conservative. I think that's what we would rather -- we would rather row a little slowly or gradually, but still be there after 10 years.

Questioner: [inaudible 0:36:59]

Management: We don't have a formal arrangement, but in many cases we are in the same building that Canara Bank is there or we are probably in, you know, in Canara Bank premises, we have taken on lease. So that kind of -- we do get some leads. I mean, customer will say, oh, that would happen even otherwise. Sometimes even, you know, like, for example, just a case in point. I'll tell you, we were in the -- I had just gone for inauguration of one of the branches. PNB was on the ground floor. We were on the first floor. Now the manager also came to, you know, on the time of the inauguration. I was saying, I mean, there is nothing like, you know, on that day, I mean, otherwise there is no such formality.

Questioner: [inaudible 0:38:03]

Management: See, on the ground, there is no formal arrangement on the ground. There is some understanding. I mean, Canara Bank also will not say it, but there is no formal arrangement. We don't do any such kind of a tie up or anything. And anyway, we are all -- I mean, technically speaking, both are listed entities. Any such arrangement, we do not have an exclusivity. I mean, if tomorrow we decide to have such kind of tie-ups, it will be an open market where we will tie up with everybody. And if it is on, I mean, right now, whatever is there is just an informal. But tomorrow, if we do start any such kind of a tie-up, there will be commercials and it will be obviously on an absolute, you know, arm's length distance. There will be a selection criteria and tie-up will be done.

Questioner: So, there have been varied comments about, by various banks about this topic. The liquidity scenario currently is not improving meaningfully versus what the flows for the entire FCNR windows is being gathered, right? Do you see the liquidity environment to improve and the funding cost to dip further from the current levels? Because it has dipped from June levels, but still June levels were very much elevated levels. What's your thought on the funding environment?

Management: See, liquidity so far, I don't think is as much a challenge. And rates when you talk about, I don't think there is even banks can sustain this kind of an aggressive pricing. They will have to, you know, in fact only increase the pricing. The rate at which their banks are also borrowing and today, I believe the 6.98 cost of borrowing, rated cost of borrowing that we also enjoy, I think it's one of the probably the best that can be.

Questioner: Very closer to 3 seconds. There was a news, RBL Bank, their rating, international rating is higher than us. International rating is higher than our sovereign rating. Because of the entire rates time. Not time, but funding efficiency. So, the international rating is higher than our sovereign rating.

Management: We are a deposit taking HFC. So, we are very low. And there is a good scope and it's a good source of funding. Because even we are offering 7.5 fixed rate. It's a good rate, I believe.

Questioner: [inaudible 0:41:08]

Management: Agreed. No, we also had, you know, that we want to have a proper deposit package. It's a public facing thing. It's a retail money that is there. So, now, you know, this new package that we have implemented, it's a very robust and a good package. I mean, that gives us a lot more confidence. And now we are also having a good rate. Deposit flows have started, but we are getting deposits. But it's not very large. But I think it's a good rate.

Questioner: [inaudible 0:41:40]

Management: Our base is just about INR200 crores or something. I think we can easily do more than INR500 crores. And that's the kind of scope I believe we have.

Questioner: Here also there would be like 1 year, 2 year package...?

Management: We do have 1 year, 2 years, 3 years, up to 5 years. Minimum 12 and maximum 60 months is what the regulation allows.

Questioner: Okay.

Management: It's 5 years.

Questioner: It's better than the NCD -- tapping the NCD market.

Management: Right now, yes, 7.5, we can get deposit. We are NCD 3 year, NCD is putting at 7.8, 7.9. That is the regulatory requirement. We will have to do it. Correct. Okay. Thank you.