

Helios MF

Suresh: Yes, can we start, I think I have with me Mr. Vikram Saha, the Deputy Managing Director. On my right I have Abhishek Mishra, who is the CFO, he has just joined last month and I am Suresh. So, I think we can start. I think you will have to increase the volume. Yes, you are still quite very faint, but no problem, I mean it is very faint, but we can continue, no issues.

Management: Sir, sorry, sorry, the audio is very, it is very less, unable to hear properly, very sorry.

Suresh: Yeah, yeah, it is much better.

Questioner 1: Thank you for your time. Just, could you run through. I mean, I have met the company a couple of times, I mean, familiar with it, I have gone through the transcript and all that. Just if you can run through the macro environment, how is it shaping up, because, I mean, speed of results has come through and it is a mixed basket in terms of both demand as well as in terms of asset quality.

Though, it is fair to say that the housing segment, particularly if you are not at the bottom of the pyramid, it is kind of holding up, but then you see these things as the habit of creeping up or down. If the economy does not stay, I mean, yesterday, if you look at the numbers that came in, it was not healthy by any sense of imagination. But given all this, and already there are a couple of people, I mean, having problems which are beyond macroeconomics, which are basically political.

So, how does all this affect the environment in general, because finance in a way is a function of environment, we can do only so much. So, if you can elaborate on that and then we will take it from here.

Suresh: Sure. Yeah. So, if we look at the housing industry per se, because of course, there are a lot of other areas which also have an impact like the microfinance industry does have an impact for the lower end of the pyramid where the housing loans are there, very high end or the super-premium market that we talk about normally, of course, that was a big jump in that segment and a huge amount of demand immediately after COVID. Some of it is tapering off.

But having said that, in terms of, if you break it up into three, that is how normally the NHP also does it, there is a premium or the prime, then there is a mid segment and then there is an affordable segment, normally affordable segment is the below INR15 lakh is what the regulator normally classifies it.

So, if you look at that segment there is a slowdown definitely in the affordable segment and that is mainly because there are no incentives which are there. Earlier the CLSS which was there for from 2017 right up to 2022, that had a very big impact in the sense that a lot of developers found, were incentivised to come in with a lot of supply.

But after the CLSS is the supply and for the affordable segment has kind of tapered off. Whatever stock was available into 2021-22 that has kind of continued for a little while, but off late if you

see there is no new supply in a big manner which is coming. Mostly, therefore, the affordable housing finance companies are resorting to LAP and maybe takeover and, shifting of loans, BT and all those kinds of things to kind of show the kind of growth.

Some of the companies who have been claiming they are doing very well in affordable housing, I believe are also doing a lot of LAP and I am not sure what is the kind of ticket size that they are classifying under affordable. And whether they have a specific... Earlier affordable was clearly defined as less than 60 square meter housing, first time home buyers, average income level is below INR66 lakhs or INR50,000 per month.

So, therefore, not more than INR20 lakhs was the kind of ticket size. But now some of the affordable housing finance companies are doing beyond that as well, classifying them as affordable based on the fact that there is no income segment, there is no documented income, therefore, they are considering it as affordable.

But having said that, even the statistics show that affordable housing has been kind of tapering off. It is now in the single digits below around 8%-9% is the growth that is coming in that, in that segment. Prime continues to, yeah.

Questioner 1:

Sorry, just one thing, I understand what you are saying, but if you look at the new, I mean, there are most of the five, six affordable companies which have come through, I mean, you know that there is no point in naming them. But all of them are showing 25%-30% growth if not more. And if you look at the ticket size, it is some INR50 lakhs, somewhere between INR10 lakhs to INR15 lakhs, most of it.

Below INR10 lakhs there is one or two, but most of them are between INR10 lakhs to INR15 lakhs? Some of them have a significant chance in lakh, which is almost 20% to 30% is between lakhs. But their value should be smaller than yours. Of course, it is, in that they are around INR10,000, there is just one at INR25,000. But, I mean, you see, are these, they are not purely affordable. Affordable, they are in a different segment because the interest rate is very high, the rate of the loans is almost 12% to 13%.

Suresh:

Correct. So, is there some, is that a problem? No, see, so the classification, on a pool basis, it is definitely, you can say weighted average of the, or the average ticket size of the entire book per se is coming to around INR12 lakh, INR15 lakh or whatever you say. But if you look at some of the loans, incremental business that is being done, I mean, they would definitely be in the higher ticket sizes also.

And otherwise, volume growth is only coming from the value. If volume growth is not coming, it is more of value growth, which is actually giving the numbers. So, that is one thing. The mid segment is growing on an average 12% to 14%, which is the ticket size from about 15 to INR50 lakhs, INR75 lakhs, which is where we are there.

It is growing about 12% to 14%, whereas prime is growing a little better, but again prime is a segment which is purely controlled by the banks, the larger players. And there, it is very difficult to because there it is very price sensitive and one of the large housing finance companies, which was trying to do a bit of prime book, build a prime book has kind of slowed down because the

yields are very, very low, very and getting the kind of funds at that kind of a rate to match it and have a reasonable spread is also becoming difficult.

So, I think it is a, it is a segment which is purely controlled by the bigger players SBI, HDFC, ICICI, Axis and these are the four players who are probably completely ruling that segment and of course, some PSU banks, which now have reduced because of the repo rate. But otherwise most of the thing either in the affordable housing segment they are doing it or they are doing it in the mid segment players like us or a few others like LIC, Bajaj, PNB housing, we are all playing in that, INR20 lakh to INR75 lakh segment is where we are operating, that is where it is.

And there also, growth is reasonably good because in the bigger cities the urbanization that is happening, some development is happening, there is a good amount of new projects which are coming in the in that space. So, definitely it is there, but I know one major point is more and more it is coming out that the metro cities are not the place where this segment can operate.

Even in the metro cities now the INR20 lakh to INR75 lakh segment is completely on the outskirts or in the periphery or maybe in the in the adjoining, what you call the twin city kind of concept and all that is where this kind of thing is happening. Because you look at any of the major metros, this segment INR20 lakh to INR75 lakh is not existing only because even a two BHK house is now costing INR75-INR80 lakhs at least.

That is the kind of prices that are prevailing right now in these big cities. So, it is a tier 1 towns, tier 2 towns where this kind of a segment is kind of growing and this is where we need to target to basically get this segment. Even like for us also today what we are operating, we are there in Bangalore, but even our Jayanagar or Koramangala branches have to, go, 20 kilometers outside on the outskirts to actually get the business because only there our segment is today able to buy a house.

Same is the case for Bombay today we were even our Borivali branch has to go further away to do it because even in Borivali you will not get at INR20, at INR40, INR50, INR60 lakhs any house. So, basically from there also you have to go another 20 kilometers away to, the further away towards this thing, Dahisar and all those places.

So, this is basically what is happening even in Delhi we are doing on the outskirts of the city, but some of the towns like, Hyderabad or, the mid side towns like Jaipur, Indore there we are able to get these kind of properties. These are the towns where, this kind of development is very much possible and happening. So, this is, this is one part about it.

The other thing is, this rates which have come down the repo rate cut. So, there in fact, what has happened is the repo rate cut obviously, banks are compelled to pass on to the customers. So, they are obviously, offsetting it by increasing their MCLR or not reducing their MCLR and all those things because till the time their deposit rates do not come down, they will not be able to, manage their spreads or manage their margins. Therefore, they are looking at increasing.

So, the rate benefit that normally should have come about is not happening as much, but customers are definitely expecting that the repo rate has been cut. So, you have to pass on. So,

very few players in the housing finance segment have been able to pass on other than the banks. Even there the public sector banks have all passed on the entire 100 basis points benefit to the customers, but private sector banks not so much for new customers and HFCs and NBFCs definitely not.

Among the HFCs to my knowledge only LIC and us we have done it. PNB also I am told has done it, but I am not sure because on the ground we do not see any change, but I am told they have also done it, but otherwise LIC has done about 25 basis points to the existing and new customers and we have also passed on 25 basis points to existing and new customers.

Questioner 1:

And, but how does this price, because these two price only, I mean, as per the contract it could be annual quarterly. So, how is your contracts yielding, is it the bulk of this annual right and when did you ask it 67%?

Suresh:

Correct, correct. Two-thirds is still annual because 1st January 2024 we moved from annual reset to quarterly reset. Now, obviously, from January '24 right up to you know February '25 there were no rate cuts. So, the customers for them it did not matter whether it was a quarterly reset or annual reset.

So, it is only after you know February '25 when the rate repo rates have started coming down that customers are coming forward and asking for a change from annual to a quarterly reset and that movement has been a little slow for us. In fact, in the month of March we had about 72% of our customers who were on annual reset which now has come down to 67% by 30th of June.

So, it is a small differential only, but I am sure customers will come forward and want to shift. So, this movement will be there. So, what happens, how it happens is first of all we as housing finance companies and NBFCs we are not mandated to offer the EBLR loan. So, we all operate on our own PLR only.

So, that allows us to actually first get the benefit on a liability side and then pass it on if you know. So, therefore, we as a corporate lender and responsible corporate lender we have passed on whatever benefit we have received on a liability side we have passed on to the customer, but obviously, the contract is quarterly or annual. So, depending on that particular month in which the reset falls that month only this particular will be passed on all those. So, today we have passed on 25 basis points.

Now, if somebody is rate is falling reset is falling during the month of July they would have bought it 25 basis points in July. If their reset falls in the month of November they will get only in November, unless they come forward and shift from an annual to a quarterly.

Questioner 1:

So, at that time do they have to pay anything? No.

Suresh:

There is a small documentation charge because we have to execute some documentation. So, there is a small documentation charge basically nothing like a fee we are not charging any fees or anything, but the documentation stamp whatever we have to execute that amount they will have to bear that cost.

Questioner 1: So, what has happened if you look at the rates, I think you are right private banks are different and the segment is also different, but the PSU banks, typically the smaller ones is exactly where you will be competing with them, right? So, if you look at the rates also, some of the rates you are seeing is some 8%.

Suresh: Correct. 7.4% to 7.7%. 7.35%. Yeah 7.4% to this thing is correct you are right because 8.4% was the prevailing rate before the rate cuts started. And all of them have had to pass on 1% to the 100 basis points to the customer.

Questioner 1: Exactly. So, if you do not refresh it then there is a high probability of a BT Out right. And then seeing some of the players, actually one player has built a model on BT Out itself and we know that we are having no point in doing that, but you understand that right.

Suresh: I know that is correct, but the thing is you know BT Out, first of all customers do understand that you know there is this bank have a differential, but today for example, banks because they have not reduced the you know deposit rates today the margin that they are enjoying is very very low.

So, today the for incremental business they are not there is no rush today I mean if you know their cost of borrowing was allowing them a healthy spread margin, they would have you know taken the full advantage of this 7.4% rate, but because their rate it is hurting their margin. So, they are not being very aggressive. So, that is definitely one point and that is also reflected in the sense that of course, a little bit of prepayment and enquiries have started a little bit of you know pressure is there.

May be some banks have also picked up our loans because, but otherwise if you look at it our quarterly run down of the portfolio we have been putting in, is part of our presentation. It is very much evident that there is a marginal difference it is 3.81% for this quarter. Normally also it ranges between 3.5% to 4%.

Q1 normally, we would have normally expected somewhere in the range of 3.6% that is why I am saying that, there are there have been some instances where portfolio has gone out. A INR50 crores extra may be because of this rate cut has impacted and we could probably have been around INR1,380, INR1,350, INR1,375 crores, but it is a little more than INR1,400 crores is the prepayment.

So, INR50, INR60 crores definitely because of this rate differential we have had to lose, but still it is not too difficult in the on the ground. And definitely we have some more term loans or some more borrowings to yet to get repriced. So, once that happens probably, we will be able to offer some more may be 10 to 15 basis points more to the customer, in may be August or September.

So, that is what we are telling the customers that you know we are also going to pass on we have already done 25 basis points. So, whenever it happens, we will also come back and do something. So, that definitely is on the cards. That is how we even convince the customers and you know try to retain them that. They see that yes, they have also reduced whatever is best possible.

Questioner 1: Sir, so what is your -- what would be your incremental yields?

Suresh: Our incremental yields are somewhere in the range of about 9 points would be around somewhere there is about 9.7 would be the range incrementally. Because we have a mix, our best customer gets around 8.7, but we also have a mix where we know that is for a housing loan customer with a 750 plus will score and who is coming for a, first time, I mean our internal rating score is S1.

Now, obviously, if it is a self-employed there is a differential, if there is a non-housing there is a little higher, if it is not this thing slightly and the panchayat there is a slight differential. So, all those put together the effective yield comes to around 9.7.

Questioner 1: 9.7. Sir, there would be some rating which would be even play at 10 plus.

Suresh: Yes, we do have non-housing category where you know customers are self-employed yes, it would be 10 plus.

Questioner 1: And how do you see the, I mean, I am looking at it so 72% of your loan book is to salaried employees, right?

Suresh: It is 70-30 now, now it is 70-30, 70% is salaried, 30% is self-employed.

Questioner 1: Right, right. And this is the what kind of salaried, is it government, private, how can I what kind of spending if some cuts further on this?

Suresh: Sir, about 14% of our customers are state and central government employees, 51% are private sector, salaried.

Questioner 1: And in these cases, particularly in the case of these 51% it is, do you see any kind of overload rate, any kind of stress or abuse, I mean items from this disbursement, norms out here anything of that sort?

Suresh: See we as I said we have about 84% I mean it is there in, I do not know I mentioned in one of the meetings also about 84% of our customers are having a 700 plus CIBIL score. And about some 10% odd 11% or something are having 9% to 10% or something are new to credit. So, in fact, if you see majority of our customers are 700 plus. So, there the repayment track is good.

We normally consider the number of loans that they have awaited if it is more than three, then we do we would give a negative weightage or things like that in our in our internal credit scoring. So, I would say most of our customers at least at the time of onboarding do not have more than two loans that is what I would say.

But it is there definitely a possibility that after our loan is given customers may go for another loan which we do not control. Because once the loan is given, unless there is a default or unless there is a second loan which the customer comes for, we do not again pull the CIBIL report.

So, we would not have that data with us, but I am sure because we only fund for the construction. So, I am sure customers would be at least taking one extra loan for the furniture and interiors and all those things.

Questioner 1: Understood. So, the scrubbing in CIBIL is done only if there is a delay or something of that sort?

Suresh: Correct.

Questioner 1: Now, in terms of disbursement how do you see this because there is A there is competition, B. I think some of the key station is Karnataka and AP. Things are similar though AP has something over e-Khata. I think I saw it like the last week something. But how much it improved and gone. Can you elaborate on this?

Suresh: Sure. Sure. See East is not a problem, that is AP is not a problem for us because AP was last year flat, but this year in fact it has started growing. It is doing it is started doing quite well. So, this year AP is not a problem, but Telangana and Karnataka and Karnataka is a state where e-Khata issues are there.

And in Karnataka we have, this state government which came out last week on the 20th of the month they came out with a full page on, how to do e-Khata, how to get the e-Khata done and all those things. So, that is there. In fact Karnataka has been in fact a bit flattish for us and once this e-Khata issues are resolved in fact we can definitely do well.

Because last year also before this e-Khata issue had come up. In fact the state was we are doing around INR275 crores disbursement which now in May and June we have done about INR200-INR225 crores only. So, definitely even if the e-Khata issues are resolved we can even if you go back to the INR275 crores that can be a good 20% growth for us in Karnataka.

But otherwise if you see our areas North Zone which is Punjab, Haryana, Delhi, UP, Himachal and all, they are doing very well. Then which is doing almost 40% plus growth. We have Tamil Nadu, which is Tamil Nadu and Kerala and Pondicherry they are also doing around 30% plus growth 25%-30% plus growth.

East which was last year flat for us which is AP and mainly, that is also doing quite well at around 30% plus growth and West Zone which is basically four states of Rajasthan, MP, Gujarat, Maharashtra, they are growing at 15%. So, all the states which were doing or the zones which are doing in last year have done well have continued in this year also in Q1 and East Zone which is basically AP, Andhra Pradesh for us, that last year was flattish has started doing well is in positive this quarter.

So basically the challenge is going to be, as soon as and when the Karnataka picks up that is when we will start doing it because about 30% of our disbursement incrementally comes from Karnataka. We are doing approximately INR800 crores in a month. INR200-INR225 crores comes from Karnataka. So, roughly about 30% of the disbursement comes from Karnataka and there if we can show a good growth once the e-Khata is dissolved we should be able to do well.

Other than that Telangana is another zone and state where we are having some issues, but that is slowly getting dissolved that is mainly because of this Hydra project issue sentiment was down now slowly, last more than six months there have been no demolitions and all and the state has also come out that they will not do any further demolition.

There is, I think contemplating whether to give some impact fee or something like that and regularize those kinds of accounts. So, once that happens you know customers at least the confidence is coming back and slowly I think by end of the year even Telangana should become, should be positive for us.

So, growth that way is coming, mainly there are two reasons for our why we are we are confident about growth. One is that last two years we opened about 39 new branches, net 29 that there were some branches we closed also, but 39 new branches we opened in tier 2 towns tier 1 towns. Another 15 are planned this year and last year and all whatever we opened was back ended most of it happened in Q4, but this time all the branches will be up and running by 30th of September.

So, in H 1 itself. So, some business will accrue in this current year also plus the branches we opened last year, 25 branches we opened last year they will also get us the business the full of this year because last year they were opened in Q4 only. That is one aspect. The second thing is last year we came out with a team of for sales, direct sales because we are mostly DSA dependent. So, we came out with a you know sales team to push our direct sourcing.

That team had last year given us about, we had about 4% of the incremental business in Q 4 coming from that team and they did about INR170 crores business last year which is because there was a small team and we started quite late after June. But now in this quarter itself you know 5% of the incremental business is coming has come from this team and from July 1st onwards we have added about 60 plus people to this team. So, now we have a 100 member team in the sales.

So, that also should now get us a good amount of business we are targeting anywhere between INR750 crores to INR1,000 crores coming from this particular direct sourcing team. So, these are the two reasons why you know we are trying to one, add new geographies and two we are trying to add a new sourcing channel which is basically the reason why the growth we are confident about.

Questioner 1: Okay, I mean the last one year as I understand you have been trying to push their I mean direct sales from the offices rather than to DSH.

Suresh: Correct.

Questioner 1: So, two things were said, in next couple of years how do you see the mix changing a, b, is the direct sales from the office you will save a bit more on the DSH, as it will be more profitable, or do you think broadly it will be kind of similar because you have to pay the other costs [Inaudible 0:27:50]?

Suresh: See one, we were about in March in Q4 of FY23 we were about 85% of the business was coming from that channel. So, in FY24 we brought it down to 82% last year we brought it down to 80% in Q1 it is 79% going forward the idea is to actually bring it down to 60% by March 28.

Incremental business in by March '28 should come down to around 60% whereas, 40% should be brought in by our direct sales team and through digital onboarding. So, that is the game plan

we are slowly moving towards that may be not to the extent that we would have loved to, but yes, it is slowly moving towards that, in that direction only.

The second thing is, in terms of your second question about costing see actually you know the payout for the DSA is anywhere between 45 bps to around 50 bps is what we are paying to the DSAs on an average blended rate starts from 35 bps to goes up to 75 bps depending on the ticket amount of disbursement that is done in a month, but roughly you know the entire DSA sourcing it comes to around 45 bps or something 45-50 bps is what is the cost.

Now that obviously, if we are having a high productivity of the team, then it definitely will be lower because the direct sales team, the way we are looking at a productivity if they are able to do a crore plus per month on an average then we should be able to get a good, that will be a little less because that payout will stop that will be obviously, there will be a fixed cost component which will have to be borne.

So, the earlier we are able to you know turn around this and the team starts producing we will that is why we said last year we will do with a small team to see whether they are able to at least break even and do and how much time it takes, but that experiment was quite successful within a short time they were able to get a good amount of business. In Q4 this 37 odd people were able to get more than INR40 crores in the month of March. So, that that was a healthy kind of a thing.

So, that gave us confidence that we will be able to put more people. So, initial cost while we are onboarding for the first six months will might be a little on the higher side, but eventually if they are able to reach that kind of or maintain that level of productivity that channel could be probably a little better.

For an additional thing is that not only is it the cost aspect to it, but the direct sourcing whatever we do, that the stickiness to the of the customer will be a little better because in the DSA there is a general tendency that after 2-3 years the same DSA will try to pull out that customer and move it to some other lender because that is when the churn will get them their fees.

So, that will be less and second thing is when it is a DSA driven model the DSAs decide what kind of profile will be passed on to us. Whereas, in our own team when they go for the market and are able to do the sourcing then we are able to pick and choose the better quality customers or I would say at least the quality that we want to.

So, that in the long term will help more in the term, in the sense of a lower credit cost or in a better quality of customers that is another thing which is I think not tangible as of now. I will not be able to quantify the benefit over there, but definitely that benefit will accrue.

Questioner 1:

Now, see I have seen through your delinquency pool and all that is coming down, but we have even in SMA 1, 2, I mean things are very, but we do not see any stress right now or in terms of check bounce or anything of that sort.

Suresh:

No. In fact, check bounces have been very stable for us and for 8% to 9% and that that we have been able to maintain, we have not seen any stress there. And yes, I mean when you started off you did mention about some of the results are a mixed bag and some of them have seen increased

delinquencies. So, that is true, but in our case, I believe this quarter in for the last two quarters consecutively we have had an improvement in our delinquency ratios.

From December or March figure is better, June is even better than March. In fact, the way the things are looking and the way we have put the whole controls in place and our focus on increasing our match penetration on increasing our communication to the customers, early intimation to the customers, multiple intimations to the customers.

I believe in Q2 we will probably see a further reduction in our delinquency pool. That is what it is looking like. So, I think we are not having much of a stress, but yeah there are players who are witnessing some stress like. I understand one player has even reduced their exposure to Karnataka state because there were some local laws which were passed by the state regarding MFI loans and kind of telling customers not to pay under stress or things like that.

So, I know that there have been some pockets, but so far, we have not had much impact as you can see. Last year in Q1 our delinquencies went up by INR360 crores whereas in this quarter we have actually seen a reduction in absolute value by INR280 crores.

Questioner 1:

Right, right, right. And just one last thing on the liability side. Sure. How do you see those rates coming down over a period of time? Because banks have been passing on the whatever notes they have. So, how many of you know, is EBLR linked and how much is MCLR and things like that and what is the reason?

Suresh:

Sure. See we do not have any MCLR linked loans. On the banks we do not have any MCLR linked loan. Last two years back when we decided that we will all shift our MCLR linked loans to EBLR to Repo link or T-Billing. So, right now we have two large banks from whom our exposure would be around about INR5,000 crores or something where which are linked to T-Bills otherwise all of them are linked to repo rate.

So, the repo rate cuts the either it is on a monthly basis it gets passed on or else at the end of the quarter when the reset happens this thing. So, maximum would be a quarter where the reset would be passed on to us that is what it is. Only one or two banks they generally, it is supposed to be decided by their board or Alco or whatever.

So, they have been couple of banks that June is yet to be passed on to us, but otherwise most of the banks I think have June also has the rate cut has also been passed on. About 3,000 crores approximately is 2,500 crores to 3,000 crores is where we still have to get that benefit. We had indicated that in another couple of weeks we should get it. So, anytime we are expecting it will happen or else we will be compelled to make a prepayment and repay to that bank because that is one thing.

So, that is about 2,500 crores to 3,000 crores where we are yet to get a benefit otherwise most of the banks have passed on the repo rate cut to us and as I said two banks are linked to T-Bill. So, there of course, it will be linked to the T-Bill, but there also it normally is reflective though not to the same extent of 100 basis points, but there is a good amount of reflection in the T-Bill rate as well. So, that is what it is.

Questioner 1: Ok. So, in that case you will see some improvement in margins in Q2-Q3.

Suresh: Q2, yes as I said we will have some rate cut which is yet to be passed on. So, once that comes, we will get some benefit and, but on the contrary, I also mentioned that once we get the benefit on a liability side from the next month or something we will announce a rate cut of course, there will be a lag effect of that. So, therefore, there will be some advantage to us because first we will experience then pass on and there will be some lag effect of it.

So, we may have some benefit, but we are committed to in fact being transparent and pass on to our customers. So, if at all we get some benefit from the following month we will pass on the benefits may be about 10 or 15 basis points it might be there and that will do, but I think the bigger chunk more than the bank term loan is on the NHB side because NHB has not reduced its PLR and if that happens then what we do not know how much they will do quarter basis point 50 basis points we do not know.

So, let us see how they do it that is a bigger chunk for us because this is only about INR3,000 crores and there at least we have experienced some benefit. The rest of the portfolio we have not experienced any benefit on the NHB pool as yet.

Questioner 1: Right, but what is the NHB borrowing cost right now?

Suresh: On a blended cost it would be around 6.75 little lower than below 7, 6.75.

Questioner 1: So, here you can see about 25 bps right?

Suresh: Hopefully, yes possible. Hopefully, yes, but let us see how it happens how it you know...

Questioner 1: I understand. Ok. So, that would be a big thing for you because that is only 16%-17% of your portfolio.

Suresh: Correct, but again even if they do pass on entire NHB portfolio is annual reset. So, we will have to see how it gets passed on, it will not happen immediately to us. So, that is why the NHB thing is something which will have to really wait and watch because while the regulator RBI has announced and all PSU banks have done it, LIC has done it, we have done it. But for the regulator NHB itself has not done anything. So, we will have to see.

Questioner 1: Understood. So, but in that it is an annual reset for you.

Suresh: Yes, yes.

Questioner 1: Ok, understood. Ok, that is good. So, I mean as far as the key take away is that you do not see any stress in your segment still that hyper competition is there, but the tax has not reached.?

Suresh: Correct, correct, correct.

Questioner 1: That is there.

Suresh: That is correct.

Questioner 1: Ok. That is there. Because I mean both the side I mean I also mentioned that there we see both hyper competition as well as, of course not in asset quality they did not have in this segment, but they had in other typically, the MSME segment, but in your case, you are not seeing that so much of competition as yet.

Suresh: Yeah. So, our ticket size is also different. We are in fact average ticket size is about INR24 lakhs for Bajaj, it is in the slightly on the higher side. So, for them they are directly competing with the bigger banks.

Questioner 1: Yes. Yeah. That is it.

Questioner: Thank you. Thank you, sir. Thanks a lot for your time.

Suresh: Thank you so much. I appreciate. Thank you.