

Management: Chorus, we are putting up since January or February, we have been putting up all of them. It takes about 3-4 days, but at least it becomes much transparent. Because we are able to meet only about 10-15 of them in a quarter. There are many more and then at least the minority shareholders particularly. Yes sorry you were asking about Karnataka.

Questioner: So how were things in Karnataka, I mean apart from MFI, even Bajaj Finance highlighted on their call that they are facing a lot of issues in Karnataka, they had to let go of 40%-50% of their business, so they are saying it's a clear political risk. So how are things at our end?

Management: See, in case of Karnataka, basically there has been that, there are two issues, one is in terms of the business for housing us, there is this introduction of this e-khata which happened in September end last year.

So that has impacted the business in the sense that the registrations are taking time or in some of the cases are not happening, because only in the corporation limits they have started this e-khata issuances and that is also taking time, but other than that in panchayat areas it is still not started. So business in that sense has been affected. So today we are doing around INR225 crores run rate per month, that is a disbursement per month in Karnataka, which we also what we used to do in FY24.

FY25 we started off with around we were doing almost first half we were doing about INR275 crores per month, but then after this e-khata it dropped to 150 and then slowly we have been picking it up. Practically we ended up with last year almost flat in Karnataka and around INR225-INR230 crores only per month. So basically we are still at that rate only, the growth is not coming, but if at this rate we will probably we are doing month on month a little better than the previous month.

So month even if without any improvement in e-khata probably we will end up with around 10% to 15% growth is what we are looking at. Now,

Questioner: Maybe INR10,000 crores order of this?

Management: No, we are doing about INR225 crores, which probably by the end of the year will be around INR250 crores or thereabouts per month average. So we will be doing about INR3,000 crores to INR3,100 crores, that is the kind of figure we are looking at for disbursement in Karnataka.

Overall disbursement we are looking at INR10,500 crores is what we are targeting for the year and other than that in fact this Bajaj what has happened is mainly it is this ordinance that microfinance recoveries they have been a little tough on that and they have in some of the pockets it has been very badly affected because of this ordinance, which in fact has also come in Tamil Nadu.

But Karnataka there are particular pockets where it is become very difficult some of the lenders even affordable housing finance companies are facing issues because the ticket sizes are small. Obviously, the segment of customer is also that typical MFI kind of a customer. So when they go for recovery it becomes very difficult and police complaints, and they can also be arrested.

So if the customer complains then the police comes into action, and they have been troubling the recovery staff. So quite a few of the HFCs have also faced some issues.

Questioner: Sir, this was for non-regulated entities right?

Management: Not necessarily irrespective of that once the complaint goes the police tag takes action because the orders that come from the Chief Minister's Office and all those things complaints go there, the Chief Minister's Office is taking a very strict view of it. But basically it is for MFIs and for people who are forcing and unsecured loans and all. So this personal loans, unsecured loans, MFIs, STPL all those loans would definitely be affected because it is very difficult to say to the microfinance small ticket loan.

In our case, in fact since the ticket size is on the higher side Bangalore city we are having an average ticket size of more than 30 lakhs and some of the smaller pockets also we are having more than 15-20 lakhs. So basically we do not come, we just say that it is not a microfinance loan, it is not a small loan, it is a qualified customer and 70% of the customers are salaried. So the question of them going and complaining and things like that does not generally come.

So we have not been impacted much in the sense, but in fact our delinquency has actually come down. If you look at our delinquency the last two quarters consistently our absolute numbers have been coming down and of course initially it is more on the SMA 0 segment which is reduced substantially, but slowly now the impact will also be seen on the SMA 1, SMA 2 that is stage 2 also.

So our actual gross delinquency total amount in Karnataka and in all across the six zones has come down in Q1 compared to March. So we have not been impacted, but yes that risk is there. Particular pockets are there in Karnataka where it has been very badly affected.

Questioner: Sir, this news yesterday SBA has taken 25% hike at the higher end of the asset. Is it a marketing gimmick or it will help people like you?

Management: No, in fact see the thing is.

Questioner: BT out was happening probably now?

Management: No, no BT out was not happening, I mean then they would not have marketed it as much if that was the case, but it is more because of genuinely the spreads and margins for the banks, lenders was getting affected because all the PSPs were actually reduced or passed on the entire 100 bps overhead cut to the customers and this was for existing as well as for new. So private sector banks had not done it. In the HFC space I think this LIC and us both of us have passed on 25 bps for our existing and new customers.

PNB also I heard somebody mentioned they have done something, but I do not see, I am not sure about that. Other than that no HFC or no NBFC has reduced the rates. So nobody has passed on the repo rate cut benefit to the customers.

So obviously and incidentally this is the first time since the EBLR regime has been introduced that the rates have gone down. So nobody probably envisaged that such a large, such a huge hit will come on their entire retail portfolio, and the margins will get affected so much. So that is the reason they have now taken a very big stand.

So otherwise technically on paper if you look at it they were lending at 8.4 and our rate was 8.95. From 8.4 all the PSBs reduced it to 7.4 whereas we reduced it only by 25 bps to 8.7. So the gap was very wide, but still they were not aggressive on lending because basically at that 8.7.4 it was actually a loss making proposition for them. Incremental TD itself is 7.15, 7.2. So today by increasing the quarter basements at least they have some.

Questioner: But that is only at the higher end sir, this 7.4 is still 7.4, that 8.5 is 8.75?

Management: But indirectly they have increased. So even when the gap increased from 55 basis points to almost 130 basis points, 6.0, 7.4 to 8.7, still the competition was not coming much from PSBs because at that rate they were not aggressive in selling. So I think it is more of a very conscious and a very you know.

Questioner: So how do you read for a player like Can Fin, you will have to take how much cut in home loan rates now?

Management: See right now we are very clear.

Questioner: Let us say there is one more rate cut by RBI, 25 bps?

Management: No, see basically we are very clear. We will not be passing on beyond what we have actually experienced on the liability side. On the liability side we were at 7.55 incrementally if you look at my going forward my on the book my cost has come down to around 7.27 or 7.3. So basically I have experienced 25 bps which I have passed on to my customers.

Having said that there are two things which are yet to be experienced in our book. One is that 2500 plus crores of one bank term loan which has now been also reduced. In fact, in the con call I had mentioned that the last June benefit is yet to be passed on in one of the lenders that is about 2500 to 3000 crores that has now happened.

So this quarter we will see some benefit coming from that also. The second thing is effective 1st of July NHB has reduced its PLR by 30 basis points. I mean as against 100 basis points by repo rate cut NHB has passed on 30 basis points now from 1st of July.

So because of that slowly we will start getting on some of our NHB term loans also, NHB refinances also we will start getting the benefit as and when the reset is approaching. So we in a steady state situation another 10 to 15 basis points our cost will come down. So we will see how much we can pass on, but whatever we experience on the liability side we will pass it on to our customers and if another 25 basis point rate cut happens then we will see because that actually takes about a quarter for us to be.

Questioner: But unfortunately G6 have started going up. I know that is. So irrespective of repo rate cut G6 have bottomed out looks like.

Management: Correct. So 6.5 now.

Questioner: 6.5. 6.5 versus 6.2 we saw?

Management: Correct. Some of it will happen where obviously if this happens our NCB rates will slightly go up or slightly our CP rates will go up already when the rate cut was not announced on 6th August the same day the CP which was at around 5.9 in the morning went up to around 5.979 close to 6. So, we also that day picked up before this went up we were picked up at 5.92.

Questioner: So, how do you think about, you are saying you are passing on will depend on your blended cost of funds.

Management: Blended cost of funds.

Questioner: So, you try to maintain a spread work.

Management: Yes.

Questioner: Work at a certain spread.

Management: Yes, yes.

Questioner: That is the philosophy.

Management: So, we will not compromise on the spread, 2.5%.

Questioner: What about BTO, BTO you will let it go is it?

Management: No, no not that we will let it go, but we have not experienced it. Ok. As much as can be seen from the first quarter you know results we have already. We give the quarter wise movement of this. So, it is still about 3.81% for the quarter. So, it is been range bound in that only. So, we will basically be protecting our spread 2.5% is what we have said. Today it is at around 2.62%.

And because there is a slight time gap or a delay in actual transmission on the asset side for us because it is a quarterly reset or annual reset. So, may be that 2.62 might become around 2.65 or something by the end of in the second quarter, but we will first at least pass on only after we experience it on the liability side. So, that is the philosophy.

And if that slight thing is there then we will have a little bit of buffer to take a call in case the BT out goes up a little bit. We will have a little bit of a buffer during the year to look at it. So, we will probably look at it, but as of now one thing is very clear, we will pass on only after we witness it in the liability side.

Questioner: And for the segments of this we do not get on a quarterly basis, but the segment this 30 lakh ticket sales come in how is that doing for the industry?

Management: For the industry this it is roughly around 12% to 14%, that mid segment is growing. Affordable is where the slowdown is actually happening. It is already in the single digit number.

Questioner: I think assessed income segment is where there is some problem.

Management: Assessed income is where the default or delinquency issues pressures are there and even in terms of the growth the affordable that is a below 15 lakh segment definitely there is a slowdown because there is no supply coming. Today there is no, something for the developers and all and or for the customer, the CLSS has not helped present this thing.

Questioner: And that strategy of pre-approved projects tying up with how is that taking off?

Management: It is see last year we had a target for 75 approved projects because we started somewhere in June. We ended up with around 80. Today we are already 100 plus approved projects are already there and almost 50% of the projects we have started getting 1 to 2 files also loan files. So, that is there. This year their target is to touch 250 approved projects, and we are on course for it. We should I mean quite happen now.

Questioner: So, here the ticket size will be higher 50, 60 lakhs?

Management: What we have experienced right now which would be around you know we would have probably got about 75 to 100 loan applications, converted from the approved projects. There the ticket size is slightly around 30 lakhs to plus because we are anyway not targeting the, we are not our current ticket size is 24 lakhs blended but for this it is a little on the higher side, it is 30 lakhs plus.

Basically, we are targeting the CAT B, CAT C you know whatever efforts primarily. So, from there we are getting the average ticket size is also little higher.

Questioner: So, here the rejections will be how much sir for this approved projects? You get the files let us say. Is it better than...?

Management: The rejections will not be there because in the approved project if you are getting this files obviously, they will be in a slightly better segment of the population with the ticket size are also higher. So, people who can really afford only will be coming.

Questioner: How about from the customer side?

Management: From the customer side yes because when we are fighting, we are actually fighting with the real bigger players also because already most of the projects that we have approved also are having may be at least 2 or 3 out of the remaining other players like SBI, HDFC, ICICI, AXIS, Kotak, some of the DCP. So, we are having at least 2 or 3 other such bigger players also already tied up.

So, we are facing competition and therefore customers looking at us and somebody else may be would prefer some of them. Builders also because we do not do construction finance, we are not lending to the developers. So, obviously the builder would like to push the one with whom they have done a developer finance.

That is why as I said totally we have close to 100 plus projects now approved but across all the projects probably about 75 to 100 files is what we would have got.

Questioner: And BSA continues to be?

Management: Today it is around 79%. We want to bring it down faster. So, the sales team we have now improved the strength in the sales team. We last year had about started with about 8 people in June and ramped it up to around 37, 39 by March, excluding a couple of resignations. We added another 63 to the team.

So, today we are a team strength of about 100 people in the sales which we have done from 1st of July. So, that should again, we are targeting, last time they got about 170 business there was brought in by the team. This year we are looking at INR750 crores to INR1,000 crores coming from the sales team.

Questioner: Out of INR10,000, INR1,000 crores?

Management: Yes. So, today they are about 5% of the incremental business is coming from them but with the team size increasing and everything we are looking at around INR750 crores to INR1,000 crores about 7.5% at least coming from the sales team.

Questioner: It is taking a lot of time sir, this reducing dependence on BSA?

Management: See we it is actually not coming, among all the other things that we have targeted for the in the vision document five year targets, this BSA is one thing which is not moving to that to the level we would have preferred. Like for example, we wanted to reduce our sales as started segment from 73%, 73%, 27% we said we will go down to 65%, 35%. We are now at 70%, 30% that is moving in line.

Then we said ours our housing to non-housing we said it was 89% and 11%. We said we are ok to move it to 80%, 20%. Presently it is around 86%. So, again from 89% it has come down to yes. So, that is one.

Third was geographical focus we said we will again bring it down to 60%, 40%. Today we are at 68%, we were at 73%, 27% was the you know south, southern states to now rest of India. Now it has come down to 68%. So, there has been some reduction. So, all those things are happening almost the same. Only here we were at 85% we would said we would bring it down to 60%. We have only brought been able to bring it down to 79%. So, that is one area where yes, it is coming down, but not at the pace at which you would have liked, but fine I mean.

Questioner: Problem with DSS is switching BT out.

Management: That is of course, there that is why we have to. So, as I said we last year started with a team of only 8 people in June ok. From there we slowly ramped it up and we made it up to 37, 39 people in March. And they were able to contribute about 4% to 5%. This year I mean they did 4% in Q4.

This year right in Q1 itself they have done a little more than 5% contribution has come from that team without addition of any team member. Now in Q2 first of July onwards we have increased the strength. So, definitely this should increase. We should see some.

Questioner: And the other question is there has been no update, but same lender, same product through parent as well as subsidiary. There has been no update, but that is a big risk, not just for you?

Management: Yes, that is true, that is true.

Questioner: But the entire industry?

Management: Correct, but again you know this came up.

Questioner: But there has to be some backup plan or...

Management: No backup plan as in today if the regulator does come down and absolutely puts it, but we have been actually talking about this from 2015. Frankly speaking when HDFC and [Inaudible 0:19:10] were there in the same thing they used to say why two licenses. We used to say there is obviously two different segments that we are catering to.

So, 2015 onwards I have been, this matter has been on the table. But yes, in terms of a proper circular it came out in October 2024. But post that you know there was a change at the top. The Governor has changed. The new governor seems to have a slightly, is not so very pushy about it. So, since then we have also not had anything coming from the RBI in this aspect.

So, it is just the status quo continues. As of the moment if you see the last three to four months, we have not had any discussion on with anybody. Canara Bank seems to be quite okay, they are very happy.

Questioner: Why this is important for you is your AAA rating it goes to AA?

Management: May not AA I mean.

Questioner: I am just saying then.

Management: 1 [inaudible 0:20:10] AA plus A.

Questioner: This increase might happen in cost of funds 50 bps, 60 bps?

Management: No, if it is a single notch is what I frankly speaking might be there because that one notch is about 25 bps we will have to look at it.

Questioner: So, that must be straight away be the hit from spreads you know?

Management: Over a period because obviously whatever we have borrowed we will continue.

Questioner: So, from our side that is why we are also?

Management: No, that thing is obviously there, but if you look at it 2018 is the only time when Canara Bank also explored the sale of this thing. And that time also it was more of a regulatory push, but at the same time PNB did it, but Canara was able to hold on to it and PNB brought in a new player, and it is a different story now, but Canara did not at that time also.

So, today when the pressure is not as much and there is no compulsion or capital issue which was there at that time in 2018. Today I think capital wise the bank is also in a much stronger position. There is no pressure also in that sense from the regulator. So, let us see. As of now there is no talk.

Questioner: Yes. From our side it is just cost of funds will go up and it will straight away hit the DuePoint ROA?

Management: That will happen, that is true. We will have to then.

Questioner: Because from ground level perspective not much might change, but probably board composition etcetera?

Management: We will have to look at some other segments which are a little more high yielding, we will have to slightly look at that also. That is possible. And since 99% plus of our board asset side is basically floating rate. So, a little 15 bps point we may have to increase on a PLR for our customers. If at all that happens we may have to look at something also to see that the spread is protected.

Questioner: The share of non-housing loans stands at around 11%, 12%?

Management: No, it is around today it is around 14% -- 86% is housing and 14% is non-housing.

Questioner: So, we are planning to take the non-housing to what level?

Management: Maximum 20%. So, it will be 80-20.

Questioner: And sir in terms of number of branches, so we have guided to open around 25 branches this year?

Management: 15.

Questioner: 15 branches?

Management: 15 branches and all 15 are currently identified and work is going on. So, this time we want to ensure that by September we have all the branches up and running because last two years we opened branches, but all of them mostly were in Q3 or mostly in Q4 rather. So, we didn't get the benefit of the branch except on the little bit on the number we could say we have added. But basically they didn't bring in the business. So, this year we are planning to up front do it a little up front strategy. So, we might be able to get some business also.

Questioner: And these branches where largely opening there?

Management: Mostly in the North and the West and this time we have also looked at a couple of branches in Andhra. Because Andhra is doing very well in terms of this we have some scope there. Particularly we are adding one more branch in Vijayawada, Vishakhapatnam, additional branches in the cities.

A few more Anantapur we have added last year, we have added one more, two more this year. So, I think four branches out of 15 this year are in Andhra Pradesh and the remaining three and the rest are in the North and West.

Questioner: How is asset quality sir in Andhra?

Management: We have not had much of a problem. Our gross NPA in Andhra is very much under control. We have not seen any blip or any major issue there.

Questioner: In the market how much Andhra is growing, not for us but in the industry which is?

Management: See Andhra, I mean now if you see there is a Andhra is different, Telangana is different. Andhra is this year for us mostly growing at around this year has started showing a good growth. Post the change of government sentiment has been improving consistently. This year our Andhra that is the East zone has grown at almost 40%. It's a small base of course. Andhra contribute just about INR70 odd crores, INR60 crores, INR70 crores disbursement out of 800. So, this is about 7% to 8% only, but on that base it's growing at about 40% this year.

Questioner: And the IT transformation?

Management: As of now it's absolutely on track. We have a -- it's a two phase implementation. The first which is a rather a three part implementation. The first part is where we will be going live on the ALM treasury borrowings module which is scheduled to go live in September. So, we are on track. The second level of migration testing has happened. The testing of the reports and the functionality is done.

The report testing is currently on almost 75 out of the 95 reports have been tested also. So, it's on track. We are planning to implement it by end of August so that entire September we can have all the reports double checked. And so that on 30th September we will be having the reports finally coming from the new system only.

The second phase, which is the main core component of LOS, LMS, DMS and deposits will go live in November. There also in fact our specifications, our sign offs and everything have happened. The UAT we are planning to happen to do it in September and October. So, basically we somewhere around first week of September we should be able to get the delivery SIT and everything.

That should be done, and we should be able to be available for UAT user acceptance testing. And November therefore we will probably implement it. So, that's on course as of now. We are just about a week here and there, but it's on course. The third part, which is basically the infra part of it that is the SD-WAN and the security and all those things. The SD-WAN already has been implemented.

The migration to the newer, the second MPLS lines and all those things, those are also SOC, NOC everything is also on course. So, the SD-WAN part of it is already done. The others are happening on course. That also will probably by November we should be able to completely go through. So, as of now the entire all three phases we are almost on course. And November is the scheduled implementation for across all the branches.

Questioner: Cost to income 19% is still valid?

Management: Yes. So, that is for FY27 because we have already contracted everything. So, basically the incremental cost or the additional cost that will be incurred because of this implementation will be about INR1040 crores. That will be around 1% of the total income. So, today we are around 18, so it should be around 19.

Questioner: Yes. So, the issues which happen that will get curved through this loan management system, is it?

Management: No. In fact, we already did one round of upgrade in our existing system. So, today also I can say all the problems that were there in terms of some of the control issues and all. We have already implemented and upgraded like we have already in terms of the onboarding, we have done the tie-up with Karza. So, our verification of our Aadhaar, PAN, ITRs everything is already in place.

Account aggregator also we have just tied up. So, the bank statement verification also will now happen directly from the statements will be pulled from the bank and we do not have to rely on the customer provided documents. So, at the time of onboarding we have already implemented. The issues in terms of our disbursement which was to happen, there also we have brought in the centralized disbursement in October 23 itself.

So, now it is completely functional, no problem. 100% of our disbursements are getting done centralized. That also we have already implemented. CRM already implemented where every loan that is sanctioned at the branches is getting vetted or verified at the CRM. That is centralized credit review monitoring department.

The third we have also implemented on the technical and the legal part of it also. So, credit part we have taken care in terms of the CRM and in terms of our Karza tie-up and everything. Legal and technical also we have tied up in terms of velocity we have done with for all our valuations. That is 100% implemented.

So, basically every value who is empanelled with us is having this application of velocity. Therefore, we are having uniform valuation reports. We are also having equal distribution policies getting implemented. So, there is reliance on any particular value or anything of that sort is getting minimized.

On the legal side, we have implemented two things. One, we have done a vetting report we have already done, wherein we have got a third-party agency, which is another empaneled agency, which is having a separate not the one, which is done the LSR; but another advocate firm which is doing the vetting of the entire original documents corrected.

Two, we have already done the entire scanning. We have done more than 1000. So, all our loan dockets, which are getting collected are moving towards CDSCs and the scanning has also started. So, both -- so, on credit legal and technical we have implemented all these aspects. So, today all those controllers, plus on the account side the reconsideration module, the vendor payment module centralized -- is centralized, the reconsideration is centralized.

The modules third-party solutions have been implemented for our vendor payment, for our this -- expense payment part of it for the customers, that for the -- for the staff expenses and everything that is the one, which is now implemented. So, with that on expense payment, vendor management as well as on our reconciliation modules everything has also been implemented.

So, today the new IT transformation will only ensure that it is we are at a more updated and upgraded version of our LOS, LMS and all those things, and some of the modules, which were not there like HRMS, we do not have a very advanced module, we are now implementing it with work-line in this part of transformation.

The accounts GL module also is something, which our current LOS, LMS vendor had tied up and brought [inaudible 0:31:49]. Now, we are going for a proper package from within for. So, all those things are getting upgraded further, but in terms of the control parts of it we have already implemented everything.

Questioner: Cash management also?

Management: Cash management, we have done yes. Cash management ok.

Questioner: So, this new one will release little manpower...

Management: Efficiency, yes will improve. We have also, in terms of a connectivity, we are upgrading our MPLS lines and everything plus SD-WAN will bring in the security. SOC we already have. NOC also we are implementing. PIM/PAM solutions also we are implementing. Then desktop management and all will come because we are upgrading our Microsoft from our existing vendor to Microsoft Office 365.

And we are also going in for certain other solutions, which will in fact for our DLP and DMS will also get implemented. So, those things will happen as part of this. So, but on the lending part of it we have already implemented everything.

Questioner: Right and I know your asset quality is quite good, but still follow up after 0 DPD and is that also?

Management: Yes.

Questioner: Can all that also be automated?

Management: Yes, we have already introduced call centers for SMA-0, SMA-1, SMA-2. We have already -- NACH is already in place that is not a problem. We have also further worked on improving our NACH conversion ratios because some of the old customers also we have kind of pushing to convert to NACH that is also there.

Our collections everything, we have done with BBPS tie-up; so, that is also implemented, whereby customers can now pay anytime through this. For the BBPS also we are adding, additional options also we are using, but at currently BBPS option is already there. As I mentioned, cash management also we have implemented; CMS that is also implemented. So, that way we are -- on that part also we have done that.

And in fact, you can see that March quarter our delinquency came down. We were in December we our total delinquent portfolio was INR4880 crores. It came down to INR4266 crores in March and subsequently in June further, we have brought it down to INR3980 crores, that has further come down in June. July has further come down to below INR3900 crores in terms of the total delinquent portfolio. There is a SMA-0, SMA-1, SMA-2 and NPA put together.

Questioner: Actually, last year, disbursements were disappointment from the company's perspective, what was carried and what was delivered, but...

Management: So, Q1 we have done INR2,000 crores which is the first time we have crossed the INR2,000 crores number in Q1. Q2, we have got it for INR2,800 crores -- INR2,500 crores and in July itself we have crossed INR800 crores.

Questioner: There seem to be some, not for you, headwinds for the industry housing itself. Sector is slowing down and like you say those rates it is not lucrative. For you probably not, but headwinds are clearly there.

Management: I will, no I will tell, see...

Questioner: And also there is constant thing that rates might have to be passed on, because now deputy governors have started talking about rate transmission. FM is talking about monitoring rate not just for particular segment MFI, earlier it was only MFI. Now it is across it looks like.

Management: No, I will tell you something. See, when the today the affordable housing growth rates have come down to single digit.

Questioner: Exactly.

Management: Now, if you see in two years back, since the last two years consistently I have been saying that affordable housing will come down, and we have been upfront telling it. When the E-Khata issue happened, we were the first to flag it and say that we are seeing it and we expect therefore to be, and we will be cautious about it. And we will not do the disbursement where the registration is not done. Okay.

Initially, everybody in fact I clearly remember that when we said that e-khata issues are hurting. And Telangana for us is this Hydra project has come. We are having this problem. We were the first to say that in that quarter when we in the quarterly earnings call, when we mentioned about Hydra and that Telangana is slowing down for us and we are facing issues.

I still clearly remember a couple of analysts subsequently called back to say that oh we have checked with other housing finance companies. Nobody has pointed out the Hydra issue for us, and everybody is saying that everything is clear. We were the first to say that.

Questioner: Yes.

Management: The subsequent quarter, in fact the same analyst came back and said, yes this quarter every other lender is also talking about Hydra. So basically, I would only say that we have been at least very clear that whatever is there we will upfront clearly disclose and say these are the issues.

And we have been and that is something we can at least the transparency in terms of transparency we will be upfront very clear. The Hydra is one issue, which clearly we had pointed out even in this case of this 27th September or 28th September, this came out, e-khata issue. In the earnings call itself, in which happened in end of October, we had pointed out that this new circular has come it is going to happen.

So, I think that is all I will say that yes we at least in terms of transparency in terms of mentioning it we will be upfront very clear and rather than today also couple of lenders are doing cases and taking calls in terms of the e-khata registrations have not happened. So, they are doing that call taking that call, but we have been very clear we will not be doing it.

Questioner: Yes.

Management: So, we do not mind slightly affecting our disbursements in top-line, but we will at least not compromise on the quality or in terms of our business practices. So that is all.

Questioner: Thank you, sir.

Management: Thank you. Thank you.

Questioner: Looks pretty bad.

Management: Yes. Yes. I know. Maybe have to rush back because we have an AGM also tomorrow.

Questioner: Okay. Okay. I will just switch it off.