

Ref: SCRIP ID: SRGHFL; SCRIP CODE: 534680; ISIN: INE559N01010

Date: -15-05-2023

To,
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Respected Sir,

Subject:- Q4FY23 Earnings Conference Call Transcript

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Please find the attached transcript in respect to the Q4FY23 Earnings Conference Call of the Company for the quarter and year ended March 31, 2023 held on Wednesday 10th May 2023 at 05:00 PM.

The transcript of the conference call can also be accessed at the website of the Company at www.srghousing.com.

This is for your information and record.

Thanking you

Yours faithfully

For SRG Housing Finance Limited

Divya Kothari
Company Secretary
M.No:- A57307

Enclosed:- As above

SRG HOUSING FINANCE LTD

Always with you



SRG HOUSING FINANCE LTD

Q4 & FY23

POST EARNINGS CONFERENCE CALL

Management Team

Vinod Jain - Managing Director
Ashok Modi - Chief Financial Officer

Call Coordinator



Strategy & Investor Relations

SRG Housing Finance Limited
Q4 FY23 Post Earnings Conference Call
May 10, 2023 5:00 PM IST

Vinay Pandit:

Good evening, ladies and gentlemen, I welcome you all to the Q4 FY23 Post Earnings Conference Call of SRG Housing Finance Limited. Today from the management we have with us Mr. Vinod Jain, Managing Director and Mr. Ashok Modi, Chief Financial Officer. As a disclaimer, I would like to inform all of you that this call may contain forward looking statements. These forward-looking statements may involve risk and uncertainties. Also, this is a reminder that this call is being recorded. I would now request the management to detail us about the performance during the quarter and the year that went by, the plans and visions for the business in the coming years, post which we can open the floor for Q&A. Over to you, sir.

Vinod Jain:

Jai Jinendra, I welcome you all to the Q4 FY23 earnings conference call. I hope you all are well. This year our focus was on business expansion, which has led to strong disbursement and AUM growth. In FY23, our total branches have increased to 62, which was 37 last year. In FY23, with a growth of 124%, disbursement was at Rs. 190.73 crore and in Q4, with a growth of 136%, disbursement was at Rs. 79.14 crore, which was Rs. 84.89 crore, last year and in Q4, it was Rs. 33.53 crore. Our loan book, with a growth of 28%, in FY23, was at Rs. 438.36 crore, which was Rs. 340 crore last year. Profit before tax was Rs. 21 crore, in Q4, profit before tax was Rs. 5 crore, PAT was Rs. 70 crore, in Q4, PAT was Rs. 4 crore.

Total income, with a growth of 16.62%, was Rs. 93.83 crore, in Q4, total income was Rs. 26.45 crore, net interest income was Rs. 44 crore, in Q4, net interest income was Rs. 12 crore. With this, net interest margin of the gross loan book was 11%. Net worth was Rs. 133.06 crore. EPS was 13, in FY23, housing loan was 66% and LEB 34%, and salaried loan was 24% and self-employed loan was 76%. Our 100% loan book is secured with the property. The average ticket size of the housing loan book is 5 lakhs and the average LTV is 40%. Gross NPA was 2.50% and net NPA was 0.51%. Our average borrowing cost was 10.82%.

The company has maintained a healthy spread of 12.20%. In FY23, we have fundraised a total of 177.40 crores, in which 31% from PSU bank, 8% from private bank, 46% from FI, and 14% from NHB. The company's liquidity is strong. In FY23, the company has liquid funds of 100 crores, of which 80 crores are undrawn funds. Our ALM position was comfortable. I thank all our employees and shareholders for the challenging time of the last 2-3 years. You have been with us in this as well. We have always stood strong with your faith and courage. I hope that the coming time will bring new heights for all of us. Once again, I thank you all.

Now you can ask the questions you want to ask.

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Question-And-Answer Session

Vinay Pandit: Thank you, sir. Whoever wishes to ask a question may use the option of raise hand. We have the first question from the line of Agastya Dave. Agastya, you can go ahead and ask your question.

Agastya Dave: Thank you, Vinay. Yeah. Hello, Jain sir. Thank you very much for the presentation, sir. Also, your call is very useful. Thank you for your commentary in the press release. It is very quantitative and qualitative. It is very useful and helpful. I really appreciate it, sir. Thank you for that as well. When I saw the numbers, I thought they were bad. But when I saw your commentary and the numbers of AUM and disbursements, I was very satisfied, lot of things got sorted out with that. Thank you very much, sir, especially for the press release. Sir, my first question to you was that the disbursements we have done in Q4, the distribution of that, broadly I have an idea, but can you tell me how much distribution is there in the last one week?

Because one thing that I see in your results, even though our AUM is high and the disbursements are good, it is not reflecting in the P&L. So, how is the distribution of disbursements in the market? And when will we start getting the full benefit in P&L? The additional loans that we have disbursed.

Vinod Jain: Mr. Agastya. Thank you for your appreciation, the sanctions are different and the disbursements are different. Because in housing loans, disbursements are in tranches. for example, the sanction amount of the particular quarter will include amount which will be disbursed in the next 2-4 months, likewise in the disbursements.

Agastya Dave: Sir, if in a month, let's say, there is a disbursement of 10 crores, Sir, it is a hypothetical number, I am just telling you to understand. Suppose, if there is a disbursement of 10 crores in a month, then does the disbursement spread out evenly? Or is it also such a thing that at the end of the month, there is more disbursement? Or there is more disbursement before the month? How is its distribution within the month? Can you even assume this?

Vinod Jain: Disbursements mostly come at the end of the month, like up to 15th, 20th, or 25th all your files come in. And you will see in the last five days, your disbursement is more. In the starting, it takes 10 days for business procurement, it takes 10 days in the process. After the file is completed, it reaches our head office, after that, there is disbursement. Until the file

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reaches the head office, disbursement is dependent. It will not be in full shape. Until the original document of the party reaches, disbursement is not possible.

Agastya Dave: Sir, again for clarification, are you talking about sanctions or disbursement?

Vinod Jain: Yes, yes.

Agastya Dave: Disbursement starts speeding after 20 days?

Vinod Jain: Yes. Absolutely.

Agastya Dave: Okay, correct. Sir, there was a macro question, how do you see the demand? And if you can divide this question into two parts, how do you see the overall demand in rural India? Because for the first time, in this quarter, after many quarters, many rural-oriented companies are saying that activity is picking up in rural areas. So, what do you see? Secondly, how is the demand in your old branches, which are two years old, now?

Vinod Jain: The whole system went down due to COVID period. After April 2022, we have opened 25 new branches. After opening branches in the market, until six months it looked like the business hasn't started yet. But as the Corona pandemic ended, things were over and India started moving towards development. So, development started in villages and rural areas. This increased the income of the common man. And everyone dreams of a home. The work that had stopped, has started once again. Those who were thinking of moving forward, they also started building houses before time.

So, this way, there was growth and demand increased. In the last quarter, demand has also increased. And the way of working has also changed. And the results have also been seen. The business in the old branches also increased. Business in those areas also increased. There were new branches, it took us 6-8 months to make a team. While making, the business also increased. Now, the number in the last quarter, in the next year, the number in this quarter is not 100%. Because there will be an expansion of branches, and from there, the business will also increase. So, if we assume that our run rate is 25 crores, then our quarter will be around 84 crores.

And if we take the average of this run rate, then this year, the disbursement of around 250 to 300 crores will be done.

Agastya Dave: Out of these, sir, the old branches are also showing the same growth. Like, they are also showing good growth. This is not happening because you have increased the number of branches.

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- Vinod Jain:** Absolutely, Both are mixed in it. Because it is not that 25% new branches have all started giving 100% business. Some branches start giving, some are at a starting phase, some are about to start. So, we observed the growth at both old as well as new branches.
- Agastya Dave:** Sir, after many quarters, in fact, after many years, our AUM has actually increased. And it has increased by a sizable amount. Sir, in this, and your disbursement guidance, and AUM guidance, you are also saying that growth will come. So, now sir, how much liquidity will you maintain? Till now, you were taking 100 crores on the balance sheet. Now, how much extra liquidity will you maintain? And the second question is, will you raise equity before 1000 crores? 1000 crores before AUM.
- Vinod Jain:** Sir, there are two things. First, you have asked the question of liquidity. We always maintain liquidity for three months. And we have a sanction, but it is undrawn. We do not take the entire disbursement from the bank. Now, like we have 100 crores in our balance sheet, it is necessary for us to do business. And when you have the undrawn, you have to keep less liquidity in your books. Your loss is also reduced. We take 10%-11% from the bank, then we put 7%-8% in secured, then 3%-4% costing fee is also saved. In this year, we do not have any equity plans. If we go to 600 crores loan book, or our loan book will increase by 250 to 300 crores. In that, around 150 crores will increase. So around 650 crores, there is no need for equity. We will be able to give equity in the next year. But if we get an equity investor who can support us in the long term, and can give us good equity at a good rate, then it can be thought of. For that, I do not say that we will not do it.
- Agastya Dave:** But you do not need until 600 crores at all.
- Vinod Jain:** Yes, till 600 crores it is not necessary. But these 62 branches are only from Rajasthan, Gujarat Madhya Pradesh and Maharashtra. And now there are two or three states that are going to start expansion soon.
- Agastya Dave:** Which states, sir?
- Vinod Jain:** Now we have Maharashtra, planning to start in Karnataka, Telangana and Tamil Nadu. We are starting the whole south.
- Agastya Dave:** Maharashtra, old AP and then Karnataka?
- Vinod Jain:** Yes, Karnataka, Telangana and Tamil Nadu. We will start the whole south. So, if we start that, then its impact will also be seen in the last quarter. We will start 10 to 15 branches in these five states. We are starting 2-5 branches

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in the state. And for that, we have started making teams. And the team of PAN India is being made will handle work from Mumbai.

Agastya Dave: 10 branches in each state, sir? Each new state? Not 10 in each state, but 10 overall?

Vinod Jain: No, sir, if we go to any state, there are not less than 5-10 branches. If we start 5-5 branches, then in 2-3 states, we will have 15 branches. We have mentioned that we will increase 10 or 15 branches every year. So, what happens is, we don't do any aggressive things, but before starting, we have to understand the state, we have to do workings.

Agastya Dave: Yes. Sir, I was not clear about liquidity from your answer. You said that you maintain liquidity for three months, but you also said about the undrawn facilities. So ultimately, if we want to see the balance sheet for next year, will the number of 100 crores be constant, sir, which you will keep in your hand? Because if there is a disbursement of 300 crores, then you need 75 crores in your hand. For three months -- But it will not be more than 100 crores, right?

Vinod Jain: Yes not More than 100 crores

Agastya Dave: Okay. Sir, what do you see about credit losses? Generally, you do not have any credit losses. So, now, do you see any credit loss from anywhere, any problematic accounts, or any districts where there is some problem? Or are you still running pristine on the basis of credit?

Vinod Jain: Firstly Sir, I believe if your credit is good, then you will have less losses. Secondly, our LTV ratio is anywhere near 50%. So, we have a margin in that. Because of that margin, what happens is, if there is any default, then it recovers. If the ratio is good, then you are asking for money, and the value of the property is also the same, then there is a problem. If your LTV ratio is well maintained, then your money recovers.

Agastya Dave: Sir, I was seeing your trend in LTV, it is continuously declining. You were already on very less LTV, now it has reduced a little more. So, is this effort from your side to reduce LTV more, or is this just an aberration, that it happened in a year, and it should be back to 40%-50%?

Vinod Jain: Actually, our focus is that we don't give more than 50% loan to any individual client. So, the average is 40%. So, the individual is around 50%. If someone wants less loan, and the value of the property is more, then that ratio reduces its average LTV ratio.

Agastya Dave: So, you will continue at this level, right?

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- Vinod Jain:** Yes, sir.
- Agastya Dave:** Okay. Sir, one final question, then I will get back in the queue. Sir, the prepayments and the BT transactions, how many did you have this year? You just mentioned that you did a disbursement of 84. My guess is that it was a gross disbursement, and the net disbursement is 79. Is my understanding correct, sir? Can you give me some numbers of the prepayments?
- Vinod Jain:** 10% of the approximate amount, for BT and prepayments.
- Agastya Dave:** Both together, sir?
- Vinod Jain:** Yes, both together. In which 7% is around BT, and 3% is your prepayments, and all funds, all sorts of prepayments. So, it is around 10% of the total.
- Agastya Dave:** Sir, what is the trend in this, especially in BT out, are banks becoming aggressive or less aggressive with your assets?
- Vinod Jain:** No, sir, actually, it is not because of BT, every person has a motto, to reduce the rate of interest. Suppose, if I have taken a loan of 12%, and if I get 8% of it, then I will also get BT. So, BT is a process. It is not like your portfolio will be empty. This process continues. And everyone has a BT, and we also have a BT. If 10% of our BT goes from us, then 10% of BT comes to us as well.
- Agastya Dave:** Yes, yes. Okay, sir, there are more questions, but I will get back in the queue. There are other people as well. I will come back, sir. Thank you very much.
- Vinod Jain:** Thanks, Agastya.
- Operator:** We will take the next question from Rupesh. Rupesh, you can unmute.
- Rupesh:** Jai Hind, Jai Jinendra sir. Congratulations on the very good results, sir. You said that there will be a growth in FY23, and you delivered it. So, congratulations on that.
- Vinod Jain:** Thank you, thank you, sir.
- Rupesh:** Sir, I have two-three questions. The first question is, can you tell us how much disbursement is there per month in the old 37 branches? Any number? And what is the level in the new 25 branches? Approximately.

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- Vinod Jain:** No, sir, we have not done both the bifurcations yet. We have the total figures. That too I will not be able to give you immediately. How much is there in the old branches, I will tell you. This is the total balance.
- Rupesh:** Sir, can you roughly tell us how much is there in the new branches, and how much is there in the old branches, you know, 50% disbursement
- Vinod Jain:** See, the average of Rs. 25 lakhs per month per branch is different from the old branches.
- Rupesh:** 25 lakhs per month?
- Vinod Jain:** Yes, 25 lakhs.
- Rupesh:** And the new branches that have reached the new level?
- Vinod Jain:** No, the rest is the average, sir. You take Rs. 25 lakhs from old branch and the rest is from the new branch.
- Rupesh:** Okay, so you are saying that you take Rs. 25 lakhs of the old branch and the rest is from the new branch.
- Vinod Jain:** Yes, both are mixed.
- Rupesh:** Okay, so if I take Rs. 25 lakhs of the old branch, okay.
- Vinod Jain:** What happens in that is, there is a small branch and there is a branch from the rural. So, the average of the branches is taken.
- Rupesh:** Okay, and you have also said in the press release that our cost to income ratio will reduce, So, the productivity of all the new branches will almost be equal to that of the old branches.
- Vinod Jain:** Sir, if your business increases, then your costing, which has seen an increase, will already be reduced.
- Rupesh:** Okay, sir, the second question was that if you have DPD numbers, then you can give me the DPD numbers 0 to 30, 30 to 60, 60 to 90 and 90 plus.
- Vinod Jain:** In DPD, as we have own time, it comes close to 85%. In 0 to 30 days, it stays close to 6%, in 30 to 60 it stays close to 4.58%, and in 60 to 90 it stays close to 2.25%. This is our DPD bucket.
- Rupesh:** Okay, and the 15 new branches that you have opened, you said will be open in FY24, or will these all be in new geographies?

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- Vinod Jain:** Yes, new, totally new.
- Rupesh:** Nothing will happen in existing, like in Rajasthan.
- Vinod Jain:** If it is necessary in existing, then it is there, we will do it in that. If we increase in existing, sometimes what happens is, when two locations come and a center is formed in the middle, then we have to merge, and then we have to make new branch. 62 can become 65 or somewhere close to that will do, but with this territory we take three new territories, there will be new branches.
- Rupesh:** Okay, sir you said that there is an upper limit, which we can lend at, 22%, 23%. We don't want to lend more than that, when we talked last, you said this. So how will your spread be in FY24? Because in FY23, the spread has been reduced, because the interest rate of the banks has increased, everything has happened. So how will the spread be in FY24? Will the new loans be recovered? Will the spread be based on new loans?
- Vinod Jain:** No, the spread will be based on the impact of the repo rate, we will work around this rate, so that the spread is not reduced, spread is needed.
- Rupesh:** So, the new loan, it's not like, you saw that you have written average something like 23 point -- so it is not like we are giving new loans in 24, we are giving it in 23.
- Vinod Jain:** See, the average comes, some come in 24, some come in 21, some come in 18, so we can hold an average, we will work around it, we cannot say that the whole 100% will come in 24.
- Rupesh:** But I am asking about new loans, sir. Meaning --
- Vinod Jain:** Yes, the new loans also have same average.
- Rupesh:** No, it is a 50 basis point, whether we are increasing the margin or not.
- Vinod Jain:** See, what happens is, no matter how much you maintain, the average is around it, if I increase it, I will have to reduce it as well.
- Rupesh:** Okay, and you said one more thing last time, that 500 crores will be crossed by our AUM, so we will try to upgrade the credit rating.
- Vinod Jain:** Absolutely, so now we are very close to it, not that far, that too will come by.

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- Rupesh:** So, we will assume that we will do it by the end of the year, at least –
- Vinod Jain:** Absolutely, sir.
- Rupesh:** Okay, and another thing, I saw in the last three, four years that Q4 is very strong, but it peaks in Q1, it has been like that in '23 as well, but this year you are saying that we will maintain the disbursement rate of Q4. So, what is different this year that we have got this confidence?
- Vinod Jain:** See, actually the confidence this year is that you have is because of the new branches, your team has increased as well. Your team is also very strong, your segment has passed all the bad time, so obviously there will be confidence. Then the work what you have done, the quality you maintained in that work and all that stuff. It's not like even in such a bad times we chased AUM, reduced the rate of interest or changed the segment, al that stuff is not there. Whatever we are doing is good, better. Keeping that in mind we move forward. And this has been proven by doing business that the segment we are doing is good and we can work on it.
- Rupesh:** Okay, and my last question is that the new 300 crore disbursement we will do in FY24, how much will be the lap in that?
- Vinod Jain:** Sir, about 40% LAP and 60% is our housing loan.
- Rupesh:** So, we will move forward with that ratio?
- Vinod Jain:** Yes, same will be maintained. Now our housing loan is 66% and our LAP is 33.86%.
- Rupesh:** Okay, sir I will come back in the queue. Thank you so much for answering all the questions.
- Vinod Jain:** Okay, thank you.
- Operator:** Thanks, Rupesh. We will take the next question from Kamlesh. Kamlesh, you can unmute and ask your question.
- Kamlesh:** Hello, sir. Greetings. My question to you is that our cost-to-income ratio has gone above 60%. So how did this jump occur? And how are we going to settle it and how are we going to achieve it?
- Vinod Jain:** The cost is high. The cost of our repo rate has impacted the cost. And the impact of the new team and new branches And as soon as the business this new branches will start generating optimum business the ratio will be lower

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- Kamlesh:** My other question is that can you tell me how much is our per branch set-up cost? And secondly, how much is our monthly and annual running cost per branch?
- Vinod Jain:** Sir, the fixed cost is between 4 lakhs to 5 lakhs. And the fixed cost, set up cost is around 4 lakhs to 5 lakhs. And the monthly expense is around 1.5 lakhs. And the salary and rent is around 1.5 lakhs.
- Kamlesh:** Okay, sir. One more. And we have also expanded our new branches. So, we are also looking to expand the management team. And secondly, we are going to the new state. So how are we going to distribute our management? How will the management cater to the new branches? Or how will we look to grow it?
- Vinod Jain:** Look, we already have a complete team set-up. So, what is going on now, there is no need for a team. If someone goes in, then we have to bring in a new person. And the gap in the branches will be fulfilled. For the new state, new people will come, new experienced team will come. And we will bring in the things that we need according to the new goals set.
- Kamlesh:** Okay, sir. Thank you.
- Unidentified Analyst:** Sir, just as a follow-up to Kamlesh's question, you have already identified teams and people. What type of people should you target to bring in your team? Because the demographics of Southern Geography will be different from the Northern and Western states, where you were operating till now. Can you talk a little more about this?
- Vinod Jain:** Our interviews are going on now and we are meeting the team. The state we will go to, that state should have at least 5-10 years of experience of that person. And should be the native residents, they should have the knowledge of the whole area. We will make that team and bring in that team. We should not work with a team that does not know anything. Because every state has different things. If we go to rural areas, we take the rural team. People who are residing there and working on their own.
- Unidentified Analyst:** So, our credit appraisal process will continue to be centralized?
- Vinod Jain:** No, the credit process is centralized. In that, we have a credit manager in every state. So, the method of credit there is different everywhere. There is not much difference in it. There is a difference of 5%-10%. There are legal documents, in different states, different government rules and regulations, that changes. Rest, some are costing-wise, some are DLC-wise, whatever technical part is there, we have to see into that. So, it is not a major difference.

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- Operator:** Agastya, you can ask your follow-up questions.
- Agastya Dave:** Thank you. Actually, the last two people have asked a lot of questions. But both have some follow-ups. So, the first question was on credit rating, sir. You answered that. When the next credit will be upgraded, how much will it affect the cost of borrowing?
- Vinod Jain:** Sir, actually, 0.25 basis points will be less. 0.25 to 0.50 basis will be less. Because, let's say, sir, the rating agency has a parameter, it is around 500 crores to 600 crores. So, they give upgrade of one notch. But to get A rating, you need between 800 crores to 1000 crores.
- Agastya Dave:** And sir, the rising cost, you will complete the pass-through, right? You will not keep anything with you.
- Vinod Jain:** No, where will we pass? It will remain with us.
- Agastya Dave:** No, no, I mean, you will pass on your customers, right? Or in your profits, something will -- Suppose, if 50 basis points are reduced, then you will reduce your lending rate as well, right?
- Vinod Jain:** No, whatever we do, we do it at a fixed rate. Because in the rural segment, it is done at a fixed rate. If the repo rate is high, then we have booked its loss, which you told, sir, how your profit will be reduced. And if this repo rate is low, then the profit will remain in our books. If the basis point is less, then it will also remain in the books.
- Agastya Dave:** So, sir, I was thinking that the hit you got due to the interest rate hike, you kept it because there was a little issue of demand. It is not that kind of situation. You will do business at a fixed rate.
- Vinod Jain:** Yes, yes, sir.
- Agastya Dave:** Okay, so whatever improvement will be there, it will come in your bottom line, sir.
- Vinod Jain:** Yes, it will come in the bottom line. Because if there is an impact in the bottom line, it will come in the bottom line.
- Agastya Dave:** Yes, yes, I understood, sir. I was correlating that there was an issue of demand, that's why you didn't pass on the prices. Okay, okay. So, sir, don't you feel competitive pressure in this? If, let's say, the interest rate is cut at the systemic level, still you will not pass on?

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- Vinod Jain:** Sir, it is in our fixed rate, there is no condition in fixed rate.
- Agastya Dave:** I understood. Okay. Sir, the second question was on slide number 17, which you have given the ALM profile. Sir, if you can give the profile of inflows from the next quarter, it will be very helpful that how much inflows are there in each bucket. Generally, sir, you get that annual report, but if you are putting it in the presentation, if you put this thing in the inflows, then then it will be better.
- Vinod Jain:** Okay, we'll put it in the next presentation.
- Agastya Dave:** Yes, thank you very much, sir. All the best, sir. Great quarter, sir. Thank you very much, sir. Thank you, Vinay
- Operator:** Thanks, Agastya. We will take a follow-up question from Kamlesh. Kamlesh, you can unmute and ask your question.
- Kamlesh:** Sir, how much is the borrowing of NHB? And how much are we planning to increase the share of NHB?
- Vinod Jain:** Can you repeat that, sir?
- Kamlesh:** How much is the borrowing of NHB?
- Vinod Jain:** Sir, the borrowing of NHB is around Rs. 127 crores.
- Kamlesh:** Okay, sir. And how much more are we planning to increase?
- Vinod Jain:** Sir, it is around 7% to 7.5%, it will increase a little more. In the case of NHB, it all depends on book and it is given around 20% to 25%. We have already availed it. If you have a book of Rs. 435, you have taken 25%, Rs. 108, Rs. 127, and you have taken a repayment, then the average is 20% to 25%. Whatever their limit is, we will utilize that.
- Kamlesh:** Okay, sir. I wanted to ask you one more thing. What level of AUM or net worth can we see our credit rating improve?
- Vinod Jain:** Sir, I believe credit rating will improves, once AUM book reached at Rs. 500 crores to 600 crores, then it will move one notch upwards. And after that, if your AUM is around Rs. 800 crores to 1000 crores, then it will be on the top. If you take out the average credit rating of the companies, you will see the same.
- Kamlesh:** Okay, sir. Thank you, sir.

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- Operator:** Thanks, Kamlesh. We will take a follow-up question from Rupesh.
- Rupesh:** Jai Jinendra sir. Thank you for the opportunity again. Sir, the first question was that we have made a new headquarter in Udaipur. Last time, you were also talking about SAP. So, if you can give us an update on the technology point of view, how technology is used in underwriting, how technology is used in collection. How it was before and what you are doing now, then that will be really helpful.
- Vinod Jain:** Sir, earlier, we had an office in our complex, where we were divided into different floors. Now, our head office has become a single building, which is ground plus 4 floors. There is an auditorium of 100 people, where our inductions, trainings etc happens. Our entire team sits together. It has made a lot of impact on working capability. The lineup also cleared and the communication gaps has also been reduced. Because of this, we have got a lot of smoothness in business processes. And our IT and the business people are also good.
- Rupesh:** So, now if I ask you, if I take a customer, then all his information, I mean, now our IT system is there, you will get all his information in the IT system, that what was his income, what was his credit score, what does his wife do, what does his family do, all this kind of information. So, we have developed the IT system in one place.
- Vinod Jain:** Absolutely, 100%. All in place.
- Rupesh:** Okay. And the second question was that I remember that we do not do sourcing from DSA. But if you could give some clarification, how is our sourcing?
- Vinod Jain:** Sir, sourcing from DSA is less. Now, our direct sourcing is more.
- Rupesh:** So, if you could give some numbers in that?
- Vinod Jain:** Our sourcing around 91% is direct, and around 10% is from DSA.
- Rupesh:** Okay. And last time we were talking, you were saying that the HDFC bank sanction was going to come. So, what has changed in our borrowing profile? And how will it be? If you could tell us how the borrowing mix will be in FY24?
- Vinod Jain:** Sir, we have received HDFC sanction but they provided us the short tenure, for this reason we did not avail that.

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- Rupesh:** Okay. And next year, how will it be in banks, financial institutions, and NHB? Our borrowing mix in FY24?
- Vinod Jain:** Actually, sir, we have existing 22-23 lenders with us including banks, FIs, and all. So, now fund raising is no longer an issue with us. we can get the 300 crores funds very easily so there is no problem in getting money.
- Rupesh:** Okay. But this will remain the same mix, sir, the banks and the split, I am saying, sir, that in MHB, we have 7%-10%, and in financial institutions, I don't know, 25%-30%, it will remain the same.
- Vinod Jain:** There won't be much changes in that, if there are, then it can be 2%-4% plus or minus, because we need all three, we need the banks, we need the financial institutions, and we need the NHBs.
- Rupesh:** Okay. And sir, the last question was, last time you said that AU and Aavas are our competitors, so if you tell us a little about our 62 branches, that the competition is getting aggressive, that we are able to find customers, there is no issue, tell us a little about the competition point of view.
- Vinod Jain:** Actually, the market is very big, all the players can capture the market. Everyone has their own teams, and everyone go with the same approach, in business. So, they get it and we get it as well. So, we can't say that there is competition between us, if there was competition, we wouldn't be able to do business at this rate. So, there are all kinds of people, there are all kinds of teams, everyone's approach, everyone's target, clientele, that is different.
- We are going to Google, they are not coming to Google, they are in a big segment, we are in a small segment, their ticket size is different, our ticket size is different. All these things, the bifurcation is different, every company is different, as much as they target.
- Rupesh:** So, all our borrowers, we can say that we are the only lender, suppose there is only one loan, suppose it is a home loan of a person? Or I don't know if there are multiple loans, but we are the only single Lenders? In most of the cases, it is a single loan account, or multiple loan accounts.
- Vinod Jain:** In most of the cases we are single lender, because we give loan to individuals for the very first time, and the CIBIL starts from our side, from the finance department, so there is no need for multiple loans, next to nothing.
- Rupesh:** So, mostly our customers are first time borrowers?
- Vinod Jain:** Yes mostly.

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- Rupesh:** Okay. Thank you so much.
- Operator:** Anybody else who wishes to ask a question, we use the option of raise hand. Yeah, Namrata you can go ahead and ask your question.
- Namrata:** Jai Jinendra Vinod sir, I have two questions. One is, what is the track of your NSE listing? Where are we on that?
- Vinod Jain:** Lot of greetings. Jai Jinendra. The criteria of net worth for NSE listing has been complied, and as the results of March is also out we are expecting the NSE listing this year itself after completing formalities.
- Namrata:** Okay, thank you. The second question was, as of today, what is the total number of employees?
- Vinod Jain:** The total number of employees is 523.
- Namrata:** Okay. And what is your long-term vision? Like, is there a vision of 3-5 years? You would like to tell us?
- Vinod Jain:** Absolutely. Very good question. Actually, our current core focus is this housing finance only. We have only one business, which is running this housing finance company. Secondly, the next generation, is also working together on this. And if we start in 3-4 new states now, the growth will be 100% for sure. And the bad time we were facing has also passed. The company's capital is also in a very strong position today. We have very good infrastructure, we have good experienced people as well.
- So, there are no things left to do other than work. So, now stress, pressure, things, everything is over. And the company has been running since 2002, in housing finance segment so we have around 20-22 years of experience. So, now the confidence of the team is also full, and we have to move forward. So, in 3-4 years, we will give you the AUM of 1000 crores.
- Namrata:** Sir, you are saying 1000 crores in three years?
- Vinod Jain:** Yes
- Namrata:** And to achieve this, will our business model remain the same or will we have to make any changes?
- Vinod Jain:** No, the business model will remain the same. There is no need to change the business model. For, 1000 crores this current business model will work.

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It is possible that we will start another vertical. It is possible that we will start in the urban area, tier 1 or tier 2 or in the capital area, if we feel that we can do it. Rest all we will do in the same segment.

Namrata: Okay. Thank you, Vinod sir. All the best.

Vinod Jain: Thank you.

Vinay Panit: Anybody else who wishes to ask a question? So, since there are no further questions, we will end the call here now. On behalf of SRG Housing Finance, I thank you all for participating on this call. And I thank the management for giving us their valuable time and giving in-depth answers to all the questions. Thank you so much, Sir.

Vinod Jain: Thank you.

ENDS.