RHFL/SE/18/2022-23

27th May, 2022

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai-400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Kind Attn: Listing Department

Dear Sir,

Sub: Transcript of Analyst/Investor Conference Call held on 25th May, 2022

Ref: Our letters No. RHFL/SE/14/2022-23 dated 23rd May, 2022 and RHFL/SE/17/2022-23 dated 25th May, 2022

In continuation to our above referred letters, please find attached the Transcript of Analyst/ Investor conference call/earnings call held on 25th May, 2022.

The aforesaid Transcript is also made available in the Company's website i.e., www.repcohome.com.

This intimation is submitted pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to kindly take the same on record.

Thanking You,
Yours Faithfully,
For Repco Home Finance Limited

Ankush Tiwari
Company Secretary & Compliance Officer

Repco Home Finance Ltd. Corporate Office Chennai

“Repco Home Finance Limited Q4 FY22 Earnings Conference Call hosted by Yes Securities”

May 25, 2022

MANAGEMENT: **MR. K. SWAMINATHAN – MD & CEO, REPCO HOME FINANCE LIMITED**

MODERATOR: **MR. RAJIV MEHTA – YES SECURITIES**

Moderator: Ladies and Gentlemen, Good day and welcome to the Repco Home Finance Limited Q4 FY22 Earnings Conference Call hosted by Yes Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rajiv Mehta from Yes Securities. Thank you and over to you, Mr. Mehta.

Rajiv Mehta: Thank you Faizan. Good afternoon everyone. Thank you for joining in this call and thank you to Repco's management for giving us this opportunity to host the Q4 FY22 Earnings Call. So, from the management side we have got Mr. K. Swaminathan – MD and CEO and other senior management team members. Now without further ado, I would request Mr. Swaminathan to give his opening remarks post which we can take questions. So, over to you Swaminathan Sir.

K. Swaminathan: Good evening everybody. I am K. Swaminathan – MD and CEO of Repco Home Finance. Thank you Rajiv. Thank you Moderator. I have with me my entire Management Team my both Whole-Time Directors and CFO and as well as the entire general manager team along with Mr. Bala with other representative.

Welcome to the Earnings Conference Call for the 3 months and the year March 31, 2022. This is my first time meeting you all in my new role as CEO and Managing Director of Repco Home. On behalf of the company, I extend a warm welcome to all of you and thank you for joining this in the call today. First of all, I am thankful that the quarter that has gone up the first and the last five quarter that do not have any issues related to COVID. We hope that things are moving forward.

Some positive things the board has approved the FY22 financial on Monday and that also approved a dividend payment of Rs. 2.50 for the equity that is 25% with every share of Rs. 10. I should tell you that the business activity has picked up in Q4 with sequentially both the loan sanctions and disbursements have recorded handsome growth. Loan sanction increased 31% in the concluded quarter of March 2022 to about 652 crores from about 498 crores in Q3. Same way disbursements have also increased to 35% QoQ to about 601 crores as compared to about 444 crores in Q3. The issue is the loan book has not moved mainly because of huge repayment and prepayment. The annualized repayment ratio including regular repayment stood at 21% in Q4 we lost 466 crores worth of loan to prepayment alone during the quarter. The prepayment was just a 248 crores in Q4 of 2020-21. The repayment ratio for the entire financial year also remained elevated at 17.6% as against 13.1% in FY21.

On the profitability front we have reported strong loan spreads and margins at a 3.9% and 5% significantly above guided levels of 3% and 4.3% respectively and I expect the spread and margins to remain higher than our guided even in FY24. The profit before provision line that is before provision before taxes risen by about 5% year-on-year to about 493 crores in FY22 as against 470 crores in the previous year. This is despite the reduction in the loan book hence profitability has not declined on the contrary there is a marginal increase. The GNPA has declined 2 basis points to 6.97% sequentially.

However, the NPA has fallen by 13 basis points and now stands at 4.86%. GNPA provision coverage registered a 2% sequential improvement 32% and overall ECL provisions has increased 0.5% sequentially to 4% of the loan book that said I would be focusing on reducing NNPA regularly. We earned a ROA of 1.6% and ROE of 9.6% though it may have fallen from the previous year this is mainly because of the provisions made. The credit card that is ECL provision were at 233 crores in FY22 as against near 81 crores in FY21. The balance between our exposure to self-employed and company segment stood at 51.2% and 48.8% respectively. Similarly, the share of LAP is about 19.1% of the loan book. The total capital adequacy ratio is very comfortable at 33.6% of Tier 1 alone is 33%.

Our branch network is around 155 branches and 24 satellite center. We would be resuming our network expansion in FY23 maybe April the second quarter. We have a strong liquidity to remain comfortable we have carried around 600 crores of cash and cash equivalence as at the end of March 22. In addition, we have around 1,900 crores of unutilized line of credit from bank so our liquidity coverage ratio is comfortable at 238% versus the regulatory requirement of 50%. We planned to start because that is a negative carry because of deposit and loan so we plan to start making investments at least in a smaller way in better yielding government securities.

For the future I expect the company to come back to the growth cost in FY23 with a loan growth book of around 10% in addition I hope that the NPA also will gradually come down from the second half of FY23. The NPA ratio may come down around 60 to 128 points from the present level. I will summarize the key financials the pre provision operating ratio has increased 5% to about 493 crores. The higher credit cost has alone led to the PAT decline of about 33% to about 192 crores. The loan book is at 11,759 crores the ROA and ROE are at 1.6% and 9.6% respectively. Core profitability has remained strong. NPA stood at 6.97% with the coverage ratio of 32% sequentially there has been a growth in NIM there has been growth in profit before tax and the provision. I think this much I have as of now I will be very happy to answer all your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Akash Jain from MoneyCurves. Please go ahead.

Akash Jain: My question is just to understand what is happening on the GNPA if I look at the results of all the companies, all companies in financial surface including all the housing finance companies that have come out with a result all have shown a significant decline in GNPA numbers and probably we are the only financial services company or HFC who has not done the same. So, it is quite surprising as an investor that while everyone has shown a mark decline in provisions and non-performing assets we have been stuck with the same levels as last quarter, so can you please help us understand what really is happening and why are we not able to bring that ratio down?

K. Swaminathan: It is mainly because of Q3 numbers I think you will be knowing it is mainly because of the November 21 circular of Reserve Bank of India. The circular did not have any differentiation as far as identification of NPA account. So, any account which become 90 days to NPA overdue gross NPA you have **(Inaudible) 08:56** circular. Only issue was these are upgrading account is the overview as at the end of the particular month or the particular quarter of less than 90 days that particular thing has now being removed as a result our GNPA numbers have risen in Q3, but as far as Q4 is concerned I would like to inform there is nothing significantly that has changed. See our additions the slippages in Q4 has remained as a same or in fact it is better than even Q3 and Q1 just to give you the numbers in Q1 we slip around 95 crores Q3 other than RBI circular because of RBI circular 277 crores was our slippage even without that our slippage was around 113 crores whereas in Q4 we were able to contain the slippages to around 90 crores. Similarly, in Q4 we have been able to recover around 86 crores as a result the GNPA numbers have remained constant or slightly come down I do not know about the other company and we decided not to move back whatever the RBI rating that we have already implemented we decided to continue we did not move back to the pre-RBI provision even though RBI permitted us to do that we did not do that. It creates as alarm as far as NPA is concerned NPA is increased of now, but gradually it will decline from the second quarter onwards.

Akash Jain: I understand this problem on of the RBI regulation and the fact that we have to according to the new norms our number will look elevated I am more worried about the provision that we are creating every quarter last quarter because of the increased RBI norms I think we had to make an extra provision because of the new norms, but this quarter again we have made a very significant provision and write off. GNPA number by itself is not a worry, but provisions every quarter is a big worry?

K. Swaminathan: It will be very clear we have not done any write off in this quarter. As far as provisions are concerned I think it is better it will strengthen the company balance sheet if he make incremental provision for the same stock I am not adding provision for a new NPA I am adding provision for my existing stock. I think over a period this will only strengthen my balance sheet. See as of now we have 32% coverage for Stage-3 over a period we want to increase it not significantly, but at least gradually over a period so that by end of 2023 we reach at least 50%. My idea is we need to grow, we need to increase our profits as well as simultaneously we also need to increase our provisions so that we are comfortable on both sides.

Akash Jain: I have been a investor in this company for almost 7 years, 8 years now if we look at our own history of credit losses over the last 10 years, 15 years we have had very low credit losses, so I am a little surprised that we want to take out the provision coverage to 50% you mean that in a housing finance company and given our own track record of collections we have hardly had any credit losses so what is the reason that we are aggressively provisioning and trying to get the coverage ratio to 50% whenever history has been fairly benign in terms of final write off and credit losses, is there something much worth this time in the book then we have had over the last 20 years of our space?

K. Swaminathan: Let me make it very clear we are not doing any aggressive provisions see whatever provisions that are required as per the rules that is the same thing we are doing except some 10 crores or 15 crores that is all. So there is no aggressive provisioning as of now, but I just want to give you an information that we are supposed to move to the IRAC provision also over a period what is the date I think over a period our provision as per IndAS should be more or less equal to the IRAC provisions of RBI. As of now we are quite comfortable, but going forward I do not want to create a stock in one quarter we make huge provisions. So, it is better that we may do gradual increase in provisions so that even on a later date if at all we are meeting IRAC requirement we will be quite comfortable. Today, my positions under IndAS is around 100 crores more than what would IRAC provisions, but going forward these structures which have been classified in the third quarter we will move to the D1, D2 category as per IRAC norms those days there may be a requirement of higher provisions as per RBI norms. During those period I do not want to be found wanting. So, I think prudentially it is better that I increase my provision gradually along with my increase in profit so that I am not wanting on a later stage say four quarter time. I think you will appreciate my plan.

Akash Jain: So, if the slippage remain the way they have been over the last three, four quarters and we all assume that will not be hit by more COVID issues, how long do you see such elevated provisions and impact on profitability of the company for how long do you should investors expect profitability to remain low because of increased provisions?

K. Swaminathan: I understand your concern let me make it very clear profitability will not become low because of provisions. My idea I guess at an increased profitability as well as this. We need to increase our growth not a stagnant way business numbers so that the profitability remains stagnant and the increase our provision that is not my idea. My idea is we should increase our profit by better businesses so that the profits are also more, the provisions also gradually and sequentially improved so that the profits also remain elevated. Therefore there will not be any accelerated provisions at the cost of profits.

Moderator: Thank you. The next question is from the line of Aviral Jain from Siguler Guff & Company. Please go ahead.

Aviral Jain: I wanted to ask you about three, four issues one is if you could just outline three to four, five years strategic plan for the company if you have something that is presented to the board or have something in mind given that you are in the system for almost two months now in terms of loan book growth?

K. Swaminathan: Your voice is not clear can you be bit more audible.

Aviral Jain: My request was if you can outline your three to five year business plan of what you would want to achieve and now that you have come on board in next two months in terms of loan book growth rate any segments that you are missing out on and how would you accelerate you said growth and profitability, so would you look at more LAP or increase geographically one more thing that you mentioned was the repayment rates have been very high because competition is very active and this is something that I approached to the previous management as well that there are number of HFCs which do a higher yield and there could be very right borrowers, very credit over the borrowers for us to choose from us as in somebody is taking your good profile borrower you can also take somebody good profile borrowers who are at much higher yield. So, more strategic costing and I have couple of questions they are on current finances?

K. Swaminathan: We have percentage of our board in April what is our growth plan for the current year. We want to grow I do not want to make false promises we want to grow around 10% to 11%. We want our loan book to be around 13,000 crores by IndAS March 2023 want to improve 10% to 11% to around 13,000 crores is this be your broad outline as far as thing is concerned. GNPA we want to contain and we want to bring out at least by 100 to 150 crores we have a challenge of restructure loans that is coming up in the second quarter so taking that into account we never going to borrow it NPA reduction for our 100 crores as far as NPAs are concerned and along with growth we also want to create a proper atmosphere, proper systems and controls so that we move gradually and we move systematically and so that there are no issues down the line. These are all the broad areas and it has been presented to the board also and I understand your concern yes we have some one or two issues facing the company that is only related to asset quality one is because of the RBI circular we are addressing it and only by constant interactions we have a big team and we want to increase the team also so that we want to have some 40, 50 people exclusively for election so that not only NPA the likely NPAs are also brought down that is broad thing I am not saying that we have to mitigate our borrowers. See these borrowers have been over the years they have been asked to pay only the limited sum of EMI. So, the overdue borrower used to pay only the EMI or something whereas overdue are two or three installments. So slowly and gradually we are educating the borrowers so that he starts paying more this is one thing. As I said we want to have an exclusive collection line so that is we want to address asset quality. The other concern as you rightly pointed out is related to takeover. So, whatever growth we are making say that even in the current quarter we have made substantial sanctions as well as disbursements. In fact, 45 days we have made enough disbursement that are equal to entire quarter of the last two years whatever was done in the whole quarter we have done already in 45 days, but the takeovers remaining a concern because our book is not growing that is the problem. Yes we are addressing it we have asked our field people to meet all the existing customers to understand their concerns so that these takeovers are limited, minimized that is one issue and wherever reduction, interest rates are offered by the customers yes we are addressing, we are agreeing to it so long as it does not go below our MNR and we have not outperformed it. Third one is we are planning to introduce CIBIL related products so that a person is a better CIBIL score or who has improved the CIBIL score after coming to us. So, we are able to continue more so that their temptation to go to another organization is limited all these things we are addressing. Hopefully it is gradually decreasing I should say in the last quarter our takeovers were around 460 crores or something it is coming down gradually in the current month it is only around 60 crores, 70 crores I do not have exact numbers, but very less. So, gradually things are coming down I think I would be able to address the management will be able to address if they take those as well.

Aviral Jain: From a system readiness perspective the previous management was working on overhauling the loan management system from the IT perspective how is that moving along, are you satisfied is there substantial changes need to be made for you to implement your strategic plan?

K. Swaminathan: The change is already under implementation hopefully by September our new system will be in place, our new LMA system will be in place along with the peripherals are also been implemented the other related systems like HR risk all these things are also getting implemented. So, hopefully by September quarter the new system will be in place.

Aviral Jain: If I were to do a apples to apples comparison if we ignore the RBI circular how are the loan buckets behave compared to last year same time say March 21 how much is your 90 plus how much is your 60 to 90 and 0 to 30 if you can just give broad breakup on the book?

K. Swaminathan: I do not have the exact numbers, but broadly I think it has come down slightly the bucket too has come down it was around 1,000 crores or something it has come down it is coming down gradually and we are addressing it vigorously.

Aviral Jain: Any broad numbers you can give 90 plus it was 4.1% I guess last March?

K. Swaminathan: I like to give you post the conference.

Aviral Jain: Anything about segment that you are missing out on and the current underwriting policy is good enough for I think what is holding back this growth if I may ask that?

K. Swaminathan: I am saying what is it that is holding back the growth a lot of NPA and other things are also because the loan book is not growing so I just wanted to understand as to what is it are you not targeting a particular profile of customers or there are very strict underwriting norms which is led to this lack of growth other than the takeover issue.

Aviral Jain: Maybe I do not want to go into the past maybe we are targeting more 5 class customers with a very good CIBIL score and all of that and there the competition is too huge and we are comparing it with a giant with the lower cost. One of the reasons why our loan book was not growing. Now we are more practical we know where we are of course along with the quality, along with the numbers you are also seeing the quality hopefully things will change. In fact things are changing I should say the entire field basically the branches regions also hopefully things will change in the current year.

Moderator: Thank you. The next question is from the line of Sanket Chheda from B&K Securities. Please go ahead.

Sanket Chheda: The first question was what will be the FY23 credit cost guidance to you and secondly you mentioned that using security improvement starting Q4 so will be further annual interest **(Inaudible) 25:02** Stage-2 first quarter that you expect?

K. Swaminathan: I think he is asking more with asset quality see we have plan to bring down NPA from 800 crores as of now around 700 crores by March 23 that is the thing. See there is nothing significant as far as slippages are concerned only one issue that were to inform this is related to restructured portfolio of around 600 crores I think that we have already given in the previous concall those one are falling due for payments in the second quarter onwards as of now there is no worry let it be very clear as of now there is no worry as of now things are doing well around 200 crores, 300 crores already they have repaid they are all in line, but moving forward there maybe some small slippages from this particular portfolio so anticipating that only we have given a moderate reduction in NPA only by around 100 crores even though we could have projected more.

Sanket Chheda: And what would be the credit cost for FY23 any ballpark number that you can guide?

K. Swaminathan: Around 80 to 100 crores.

Moderator: Thank you. We will move on to the next question from the line of Darshan Deora from Indvest Capital. Please go ahead.

Darshan Deora: I had a question regarding the provision of 61 crores so in a commentary you guys mentioned that in Q4 the slippages as well as the recoveries were almost at par I think it is matching the figure of I think 90 crores and 86 crores, so this provision of 61 crores where this number is reflecting in your GNPA, NPA slide in your presentation?

K. Swaminathan: In Stage-3 we are seeing provision are around 16 crores in Stage-2 for restructure also we have increased our provisioning so the 60 crores has gone between the Stage-2 and Stage-3.

Darshan Deora: So about 15 crores in Stage-3 and about 45 crores then in Stage-3 you can say?

K. Swaminathan: Correct.

Moderator: Thank you. The next question is from the line of Rishikesh Oza from RoboCapital. Please go ahead.

Rishikesh Oza: I was asking is the NPA issue is it structural now or have the NPA peaked out?

K. Swaminathan: I can say NPA has peaked out because in second and third quarter itself, but there will be normal slippages I think you should understand there will be normal slippages for any organization of others so there is nothing special even that NPA peaked that was there in third quarter it was not because of any asset concerns that is only because of implementation of new JV and RBI as of now there is no concern as far as asset quality is concerned. It is still in the same mode only thing is because of the RBI circular we have to declare higher NPA account.

Rishikesh Oza: If I heard correctly you said for FY23 you said credit cost of around 80 cores to 100 crores?

K. Swaminathan: Yes.

Rishikesh Oza: That would mean that from the next somewhere H2 we should be back to our normal profit right of 8,200 crores?

K. Swaminathan: I am just being conservative I am saying by end of 2023 we will be better off, but as you see maybe by second quarter itself we will be able to cover entire thing, but I do not want to give for someone better it to take it as fourth quarter.

Rishikesh Oza: And sir if you could comment on what is the branch expansion plans?

K. Swaminathan: This quarter there may not be much one or two, but from second quarter onwards yes we already have certain branches which are being approved by our board and we will be adding 5 or 10 another for the whole year it will be gradual.

Moderator: Thank you. The next question is from the line of M Agarwalla from PhillipCapital. Please go ahead.

M Agarwalla: Sir I have couple of questions what is can you quantify your Stage-3 asset and provision on Stage-3?

K. Swaminathan: 820 crores Stage-3 provision is 261 crore as of now.

M Agarwalla: Sorry to be repetitive, but it would be very helpful for all the investors present in the call if you can provide us a milestone which you want to achieve in terms of growth in next one year, two years that is one part and second part if you can be elaborative in terms of how do you want to restrict the prepayment which is very high in your organization these are the two important part if you can clarify that will be very helpful?

K. Swaminathan: See this year I am more conservative I am making a growth expectation of only around 10% to 11%. So, from around 11,900 to 12,000 crore we want to move to maximum of 13% growth by March 23 maybe 23, 24 we would be accelerating. These are broad numbers as far as growth is concerned. Adjusting the takeover issue that he was talking off yes I will repeat one the customers are not really mix unlike other financial institutions the customers here are one off as I said they come, they are making payments to ECF and all that. So, the customers are not being met so possibly these customers are moved up by other institutions who are also in the same field by interest rate and all that. So, the first instruction that I have to our field please wait for the existing customers maybe he may be 10 years old customers or 5 year old customers that can be met these concerns wherever it is to be addressed possibly you may come up with request interest rate, you may come up with request like top up loan and all that so we are addressing this issue. We are developing a product for the CIBIL based top up loan which could be given for the same customers if CIBIL score has increased what is happening is the customer when he enters our company his CIBIL score may not be good maybe let us say it is all 500 or 600 maybe because of prompt repayment in our company so his CIBIL score improved 750 to 795 based on this he is being centered by other institutions the two with a cost **(Inaudible) 34:43**. So, these organization try to click over this is where we are moving this is what we found. So, we are trying whether we can divide our own products so these customers can be met by ourselves instead of he being going to other company this is one way we are doing. Third is wherever reduction interest rate is possible let us say we can have a system it meets our MLR requirements and all that whereas we are agreeing for interest rate reduction for the existing customers with a good track record. In fact as of now we do not have any pending request for interest rate reduction for all interest rate reduction for 100 of account numbers we have already submitted maybe there might be a slight decrease in the income, but at least it would provide takeover.

M Agarwalla: Do you expect your margins of spreads to see some moderation as we go along?

K. Swaminathan: That can be met by our volume growth yes there could be for the same book decreasing my interest rate there could be challenges but increasing my volume I think I will be able to maintain the existing commodities.

M Agarwalla: Final question sir do you plan to move to low ticket size loan book?

K. Swaminathan: See working on lower ticket we need to be there in the market see you cannot have a flat as of now our loan ticket size is 14.5 lakh or something you will agree with this at this thing you will not apply in places where we operate. So, we need to be practical and there will be some increase in our ticket size which will be in line with the market requirement.

Moderator: Thank you. The next question is from the line of Aviral Jain from Siguler Guff & Company. Please go ahead.

Aviral Jain: My other question was around any plans to get into asset pool buyouts of other housing financing housing company through securitization from having some of the lesser funded we just see would have some funding in trade and given the Repco has very strong capital adequacy and low cost of funds is that an area that is also being explored?

K. Swaminathan: It is not immediate, but it is in the horizon for creating our own structures like approval of commentaries and all that maybe opportunities present if it is we will tighten this.

Aviral Jain: What would be the amount of the size of the market that you could be targeting as in there would be a certain 10.5%, 11% sort of sourcing acquisition you would be probably looking at similar to the current main pool you have or you would be looking at a lesser sort of yield on that portfolio given it would not require any servicing. So, my question is too fold as in what would be the characteristics of such loan pools and what is the addressable market that you could look at available at that cut off?

K. Swaminathan: I think it is too early we have still not device strategy as such, but definitely it will be more or less in the same vertex that we operate but let me be frank we are yet to finalize all the details.

Aviral Jain: And you have already given a clarification twice on the GNPA, but I was just curious to understand like you plan to bring down the GNPA by 160 odd crores then the provisions required next year could be way much lesser than 80 odd crores assuming your desire would be to have 50% coverage specific provisions because you would always have general provisions as well?

K. Swaminathan: Definitely if we do not require definitely we will not be making a provision. The idea is to reach provisional coverage ratio of Stage-3 it is around 50% over a period if we are able to same number with the lesser operation we will be too happy to do that.

Aviral Jain: Just to clarify the overall provision that you are carrying on the balance sheet is around in the score of 500 crores I mean 260 crores specific provisions as well as Stage-3 assets, but you have another 250 odd crores of provisions also sitting against restructured books as well as standard provisioning for even fresh disbursement side?

K. Swaminathan: See we have total provision of 470 crores for Stage-3 it is 260 crores and the remaining is stage 1 and 2 including restructuring.

Moderator: Thank you. The next question is from the line of Dhaval Gada from DSP Mutual Fund. Please go ahead.

Dhaval Gada: First question was data keeping question if you could give the yield on loans for home loan and home equity for FY22 what is our blended yielding each of the segment similarly for salaried and self employed including professional and nonprofessional?

K. Swaminathan: For home loan it is 9.7% that is salaried 9.3% and non-salaried 10.2% average is 9.7% and the home equity it is 12.8% that is for March 22 and the average for the company as a whole is 10.30%.

Dhaval Gada: The second question was relating to disbursement so what kind of disbursement target are sort of trying to achieve in FY23 and more two year down the line FY24 what is our aspiration on disbursement absolute disbursements?

K. Swaminathan: The FY24 we don't have figure so far. As far as FY23 is concerned it will be around 3,000 crores hopefully.

Dhaval Gada: And last question was relating to so what would be our employee attrition for let us say full year FY22?

Management: FY22 around 92 in the fourth quarter the first time, but therefore you want to measure that is our information we are also planning to recruit so that we estimate the requirement is met. We are planning to have recruitment in the current quarter.

Dhaval Gada: And large part of the reduction is attrition is it?

K. Swaminathan: Yes mostly.

Moderator: Thank you. The next question is from the line of Chintan Shah from ICICI Securities. Please go ahead.

Chintan Shah: Sir just one question considering 10%, 11% AUM growth in FY23 so sir what sort of repayments rate are we looking at means that will be higher than FY22 or lower than any ballpark number on that?

K. Swaminathan: It should be same as of now it should be same. See our normal repayment is around 75 crores per month that is around 900 to 1,000 crores normal repayment and the actual repayment will be around 800 to 900 crores and we expect the same to continue or it might come down also because of our customer rate and all this we expect the actual repayments to come down.

Chintan Shah: On the 20.76% rate which we quoted **(Inaudible) 43:38** ratio for FY22 so can we have a breakup between balance transfers and the regular repayments?

K. Swaminathan: FY22 Q4 466 crores was the balance transfer we have the total repayment of **609 crores 44.10** out of which 466 crores actually repayment other three quarters are 140, 210, 285 and Q4 was really exceptional.

Chintan Shah: Q4 was exceptional and for Q4 it was 466 crores and for the remaining quarter it would be?

K. Swaminathan: For first quarter 140 crores, second quarter 210 crores, third quarter 285 crores and the last quarter is 465 crores that is repayment made other than the normal repayment.

Chintan Shah: This should include the balance transfer as well as the regular prepayment apart from balance transfer repayment should also be included here from own funds?

K. Swaminathan: Normal prepayment only balance transfer.

Moderator: Thank you. The next question is from the line of Rajiv Mehta from Yes Securities. Please go ahead.

Rajiv Mehta: Sir, I had a couple of question firstly on margins so where you will give some perspective on margins with regard to what the rate reduction that you would want to offer to rein the BT out, but from your interest rate movement perspective if one want to understand how the margins can move so then what is the percentage of loan assets which is fixed and floating and then what is the frequency of repricing of the floating book and then on the liability side we have certain bank borrowings and NHB borrowings then what will be the floating proportion out there?

K. Swaminathan: We do not have any fixed lending that s one point almost all our assets are floating and we will be sourcing if at all there is any increase in the cost of our borrowing more or less we will be passing on the same borrowing in fact the market is also sourcing now we will understand obviously the bank has started increasing. So, we will also be passing us, but we will be maintaining the margin that is for sure. As far as liability side is concerned almost at least 70% to 75% is MCLR based and that too I referred that at least 50% to 70% **(Inaudible) 47.00** annual repayment. As far as the asset side is concerned we did for annual rate reset for six months.

Rajiv Mehta: So the loan reprice every 6 months?

K. Swaminathan: Reprice is for 6 months.

Rajiv Mehta: Our MLR is reviewed every monthly or every quarterly?

K. Swaminathan: Every month.

Rajiv Mehta: And those bank borrowings are so you said majority MCLR the rest will be EBLR or repo?

K. Swaminathan: Yes.

Rajiv Mehta: And out of MCLR what will be linkage to three months MCLR?

K. Swaminathan: I do not have the numbers immediately I will be able to give you.

Rajiv Mehta: What were the write off for the full year FY22 I know that there was no write off in fourth quarter, but full year FY22 what was the size of write off?

K. Swaminathan: Before the process is over I will get you there is not much.

Rajiv Mehta: My question is now on asset quality now that with daily stamping coming in it increases the flow of slippages every quarter so either otherwise you need to align customers to this new system and educate them to pay on time on time on the due date, so how much of effort has gone there in terms of bringing customers on board on daily stamping and secondly from collection side I think you spoke about putting up a collection team for early buckets, so what is the plan to increase collections in the pre NPL buckets?

K. Swaminathan: As far as the collection bucket is concerned we try to recruit exclusively for collection from 40 people, 50 people already we have issued an advertisement for normal recruitment in that we cannot have an exclusive collection team only for **(Inaudible) 49:19** only for rest we cannot have a collection team to be monitored from recovery so this is just to bring down like measures in the quarters.

Rajiv Mehta: No, in terms of customer alignment with the daily stamping?

K. Swaminathan: That is the most difficult part because people are used to paying on the last day, paying only the critical amount that was not there I emphasize this is difficult for we have been telling our branches that is we meet the customers they will be able to in terms of requirements to pay more than the installment whenever I forward you I believe it is getting reserved maybe the customer is not paying vis-à-vis what he was paying earlier, what **(Inaudible) 50:06** more than installment let us say if 10,000 is his EMI, now a days he paying 10,000 and all so, slowly things are improving.

Rajiv Mehta: And sir this restructured portfolio of 670 crores is starting billing from second quarter you said so the moratorium offer was roughly one year to most customers?

K. Swaminathan: Yes one year.

Rajiv Mehta: What is the current origination mix for us in terms of branch sourcing and whether can we have more channels of can we activate more channels so that we get more **(Inaudible) 51:17**?

K. Swaminathan: Already we have DSA of 15%-20%. We are going to maintain 20%, 25% as far as DSA is concerned because we already have enough brick-and-mortar system in company. We will be increasing our branch numbers by around 10%. As of now we have 155 branches as of March maybe another 15 branches we may open during the year.

Rajiv Mehta: And you said DSA contribution is around 15 odd percent which can be taken up to about 20%, 25%?

K. Swaminathan: Yes.

Moderator: Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments.

K. Swaminathan: Thank you very much. I would just thank whoever come and participated in the conference on all these issues I would like to assure the investors as well as the analyst the company is on the right part the new mandate has taken and the entire scheme of Repco Home Finance are all enthusiastic they are doing their best definitely I am sure that 2023 will be the this year and 24, 25 onwards we will be back to where we were let us say five year back and thank you all including moderator.

Moderator: Thank you. Ladies and gentlemen on behalf of Yes Securities that concludes those conference call. Thank you for joining us and you may now disconnect your lines.