

**Date: November 4, 2023**

**To,**

**National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Mumbai-400051  
Scrip Symbol- SRGHFL**

**BSE Limited  
1<sup>st</sup> Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400001  
Scrip Code - 534680**

**Dear Sir/Madam,**

**Subject :- Transcript of the Q2 & H1FY24 Earnings Conference Call**

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in reference to our letter dated October 26, 2023, please find enclosed the transcript of the Earnings Conference Call on the Financial and Operational performance of the Company for the quarter and half year ended September 30, 2023 held on Tuesday October 31, 2023 at 12:15 PM.

The aforesaid Transcript is also made available in the Company's website at <https://srghousing.com/Conference-Call>

We request you to take the same on your records.

With Regards

**For SRG Housing Finance Limited**

**Divya Kothari  
Company Secretary  
M No: A57307**

**Ench:- a/a**



**SRG HOUSING FINANCE LIMITED**

**Q2 & H1FY24**

**POST RESULT CONFERENCE CALL**

October 31, 2023; 12:15 PM IST

**Management Team**

Vinod Jain – Managing Director  
Ashok Modi – Chief Financial Officer

**Call Coordinator**



Strategy & Investor Relations Consulting

**Vinay Pandit:**

Ladies and gentlemen, I welcome you all to the Q2 FY24 Post Earnings Conference Call of SRG Housing Finance Limited.

Today on the call 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, which may involve risk and uncertainties. Also, this is a reminder that this call is being recorded and the call shall be conducted in Hindi language.

I would now request the management to detail us about the performance highlights for the quarter that went by, the growth plans and visions for the coming year, post which we will open the floor for Q&A. Over to you Sir.

**Vinod Jain:**

Jai Jinendra everyone.

I welcome you all to the earnings conference call for the quarter 2 financial year 2024. I am very happy to tell you all that your company has also been listed on NSE on 21 August 2023. It seems to me that your company has made a great achievement. It is the first company from Rajasthan, India which from BSE SME to BSE Main board and now listed on the NSE main board. With this, I would like to inform you that the company's AUM has reached INR 500 crore plus.

Focusing on business expansion, we have grown to 65 branches. This year 4 new branches have been opened in Rajasthan. We are even working on PAN-Bharat Model. Also our focus is on improving manpower, technology, process. We are on the side of business expansion. Branches will also be opened in Andhra Pradesh, Telangana and Karnataka. Also, from April next year, our treasury and PAN India business team will work from Mumbai.

Discussing about the financial performance I would like to highlight that disbursement in Q2 of this year stood at INR 68.09 crore with a growth of 37.03%, which was INR 49.69 crore in Q2 of the previous year. Loan sanction in Q2FY24 stood at INR 73.86 crore with a growth of 43.50%, which was INR 51.47 crore in Q2 of previous year.

Our total loan book stood at INR 515.38 crore in quarter two with a growth of 39.28% as against INR 370.03 crore in quarter two of last

year. Profit before tax in quarter two was INR 6.58 crore with 19% growth, which was INR 5.49 crore in quarter two of last year.

PAT with a growth of 20% it is now at INR 5.26 crore which was INR 4.39 crore in the previous year quarter two. Total income stood at INR 31.20 crore with a growth of 37.90%, which was INR22.89 crore in the previous year quarter two.

Net interest income stood at INR 13.52 crore with a growth of 37.90%, which was INR 10.85 crore in the previous quarter two. With this, net interest margin in quarter two is 2.73% of gross loan book, net worth is INR 143.37 crore.

EPS is Rs.4.05, housing loan is 64% and LAP is 36%. Salaried loan is 24% and self-employed loan is 76%. Our 100% loan book is secured with property, the average ticket size of the housing loan book is 5.05 Lakhs. The average ticket size of LAP is 10.47 lakhs and the average LTV is 40%.

Gross NPA is 2.40% and net NPA is 0.56%. Our average borrowing cost in half year is 11.13%. The company has maintained a healthy spread of 11.55%. We have raised a total fund of INR137.80 crore in the financial year '24, so far.

Some existing lenders and some new lenders have also joined us. New lenders include HDFC bank, Utkarsh Small Finance Bank. In finance company Bajaj Finance Company Limited STCI Finance Ltd, IDFC bank is connected to us. Similarly, we have got a new sanction from LIC housing in Q3, with 10 years tenure.

The liquidity of the company has become so strong. Our ALM position is also comfortable. Total employees as on date is 600 plus. With this, I would like to thank all our employees, bankers, finance institutions and you all shareholders.

Once again thank you all. You may now ask the questions.

**Vinay Pandit:**

Thank you, Sir. We'll open the floor for Q&A.

Till the time the Q&A assembles we keep talking to a lot of investors. And one question, which is being notice by everyone these days is that, with growth the cost to income ratio has also become high. How do you think this cost to income ratio will be rationalized? And by when it will be rationalized to lower levels? And what is your thoughts on AUM growth?

**Vinod Jain:** You have asked two, three questions together.

**Vinay Pandit:** Yes Sir, because it's related

**Vinod Jain:** See, if your business is going towards expansion, your expenses and costs will increase. If your expansion stops at one place, business will not come. We have opened 25 new branches last year, from 37 and 3 in this financial year.

So, opening of 28 new branches, creating new team, whatever expenses are there will become regular, when AUM grows and when business grows and along with that expense is likely to occur. The best thing is that now our run rate is between INR 20 to 25 crores. And, in the last quarter also we have made disbursement of around INR 68 crore. So, our average which was supposed to come has come. The commitment we have made is that we will expand by INR 575 crore sometime in this year.

Now we feel that we will achieve this target very quickly. And along with this, there is expansion, no matter that AUM is growing or decreasing, AUM growing and decreasing is a different thing but doing business on good quality in important and that is our strength this business is not aggressive but we can scale it with team.

Now we have the entire team, experts from finance industries, people who have experience, all of them are with us in the team. Our CFO is Ashokji Modi, he has experience of 27 years in this industry Our CEO is Archit Jain who has complete knowledge of the field. Our mentor is Harshil Ji Mehta, who has 28 years of experience and has previously been MD in AADHAR and ICICI bank.

Similarly, Vipinji Saxena, who is the Chief Compliance Officer, who looks after RBI, having 37 years of experience. Along with this, the head of our HR team is Vivek Sharma, he has been in the HR field for 16 years and in finance industry. Abhishekji, who is looking into credits, has been in the industry for 10 years. The Chief Operating Manager Ashishji, who has been in the finance industry for 18 years. Our legal person has been working in the finance industry for 17 years. Our current recovery officer Surendra Sharma ji, is from Bank of Baroda, having experience of 36 years.

Along with this, we are also creating a new team in our Mumbai office, to work at PAN India level in the next year. Like treasury, PAN India business head, will start work from April. This is how we

are moving for expansion. There was a time when we felt like foundation should be strong, but now all the hurdles which were there till date are cleared in the period and things went well.

Now our focus is on the business has to be improved and expand. So, one of the first challenges was whether they will work at this rate, how much will it be, how much will it not be, all the investors also had a question. So, we have started, but question is still there how much business will you be able to do? Then our company was worth 28 crores, 25 crores. If the market rates are like this, we can scale anything in the market.

It seemed very challenging, people think we are bluffing, but today we can do this by crossing INR 500 crore and we can also scale at this rate because our segment is rural. We are expert in his segment. Manpower costing is high in rural areas, expenses is also high over here.

As the expenses increase our margin will also increase. If there is no margin then I cannot make expenses. This is the way we have done things better, and very soon we will bring this to the company and will take forward the business as well. And our next year's target is between INR 750 crore to INR 1000 crore, and we have been following this for a long time, we will fulfill it in time

**Vinay Pandit:**

Yes. Sir, there is a question in chat from Arvind Kumar. Great results great disbursements what is the five-year visions?

**Vinod Jain:**

Sir, if I myself stays in Mumbai for 15 days a month and work there, the vision is not too small, the vision is big. If the business team is based out Mumbai, we will be having much more experience with us, we have our mentors with us so we have a bigger vision. So, we wish to grow minimum 10 times of what we are today. We are moving forward with the same vision and working in line with that.

**Moderator:**

We'll take the next question from Rupesh Sathya. Rupesh, you can unmute and ask your questions

**Rupesh Sathya:**

Hello Sir, Jai Jinendra. Congratulations for very good result.

My question is, elections are happening in Rajasthan and as compared to the past whenever elections are held, is there any impact in disbursement or in credit quality or it does not bring much impact to our segment.

- Vinod Jain:** It is true that disbursement in business will take time at the time of elections, because all the government employees are involved in elections. Things like legal report or all the other government related work will get slow. There is no issue with the quality or any other thing. It's the government offices related work that gets delayed. Getting certificates from Gram Panchayat, Regional government offices become slow, getting required information at desired time will get affected.
- Rupesh Sathya:** Okay Sir. You also mentioned, we have opened a lot of branches like from 37 to 65, so how many branches will there be by the end of this year FY24?
- Vinod Jain:** Sir, we will open 5-6 more branches. We want to work in 3 states in the south side. We are starting with Karnataka first. And in the next quarter we are planning to open 3-4 branches more.
- Rupesh Sathya:** Good. So, it will be like 70, till the end '24. But this cost to income, which was 55%-57%, has now increased by 5%-6%....
- Vinod Jain:** Sir, in next year if this branch runs in full swing, it's like we will achieve one target.
- Rupesh Sathya:** So, shall we consider this year as 60 and then the next year will be as much as we used to do in the past...?
- Vinod Jain:** Yes, definitely. It will be reduced by 4% -5%.
- Rupesh Sathya:** Next year?
- Vinod Jain:** Yes.
- Rupesh Sathya:** Okay, and one more
- Vinod Jain:** If expansion is regular then your maintenance cost remains same. It will come down only if you stop expansion and start new business. If you think from a difference perspective, like where you will be in next five years, then you have to do expansion, you have to do your business regularly, your team will visit you on regular basis, you have to check your branch regularly. So, there are chances it will fluctuate by 2% - 3%.
- Rupesh Sathya:** No, no sir, your ambition for growth is so clear, so it is better to grow, you just have to manage a little. Growth should be sustainable.

- Vinod Jain:** 100%.
- Rupesh Sathya:** Yes. Profitability also I think you have to little bit think about. This is one thing, the second thing is that could you tell us some policy or some philosophy of the board, when will you raise the capital?
- Because we will have to raise equity, the kind of things you are telling now, can you tell us what is company's policy?
- Vinod Jain:** Sir, right now we will raise equity around INR 50 crore. Either in this financial year or for second financial year 2025.
- Rupesh Sathya:** Okay. What you will see, because your capital adequacy ratio is quite high at 32%, and return on equity as well as return on asset is also good
- Vinod Jain:** No, Sir that 32% is not high, that actually the size of the balance sheet has increased. Right now, equity has not added. It will come up when we add more Equity.
- Rupesh Sathya:** No, Sir, I mean you talk lot about of ROI that means 20% growth can be funded by ourselves. And we don't need to raise equity for 20% growth. When the growth goes above 20%, 30%, 35% then we have to raise the equity.
- Vinod Jain:** There are two things, when you have to take equity and when you have to make it work. Its not like at the last moment you go for equity and things will happen. All this process takes 7 years-time.
- Rupesh Sathya:** Yeah, that's true.
- Vinod Jain:** If we want something in the future, we need equity and if we take it today, then we are not able to take equity for next two years.
- Rupesh Sathya:** Okay, but what is your philosophy, like we will do it only when equity on debt is five or four something like this, what's your thought process?
- Vinod Jain:** Thought process is this if you want to long and you have to go to big size, we understand the value of equity that is why even today we are holding 68% of it. We cannot tell you details like at what price, at what market cap, at what size, at how much AUM, when we will do it, but we understand where we should go.



Investors who are in regular touch, know the things. And they also want things at lower rates, if we haven't pay attention, it would not reach at 68%, it remains only 40% or 50%, we have maintained it. But we know when we have to give it at what AUM and on which value. When we meet, we will discuss that.

**Rupesh Sathya:**

Okay, Sir. And just little bit in the end, tell me what kind of asset quality do you see in other states, is it better than Rajasthan, is it worse than Rajasthan. And overall, how things will remain in your view in these one to two years, because general elections are also due, so...?

**Vinod Jain:**

Quality, before starting any business or giving a loan, we always check one thing that the location of property, its value, and amount of money we are giving, is it worth or not.

LTV ratio is maintained at 40% of our total portfolio We do not invest more than 50% at any location. The quality is maintained with utmost care. Because it is very easy to distribute money but if you do not focus on recovery and collections then things will not work.

And if there is no margin then if we start giving loan 90% to 80%, at 20% margin, when default happens, we also know that this much property people want to buy at cheaply. Its cost has reduced by 10% to 20%. We do the business with same margin and pay full attention to quality also. It is not that if we move to any state and our quality will be compromised. If we have made this compromise surely our AUM would have increased alot today.

But we do not compromise. If we want to work at this rate, if we want to follow this model, then our focus should be on how much we want and how much margin we are getting. Because investors also want to know how much money the company is making. It should not be that there is a hunger of Rs. 1000 crores AUM and PAT is at Rs. 5 crores.

**Rupesh Sathya:**

No, no sir, I was not asking like that I mean, your process is fine, the way you handled in COVID, measured the gross, the kind of growth we achieved in the 2-3 years of COVID, NPA was also good, all your processes are fine. But

**Vinod Jain:**

Due to low LTV ratio, we came out of COVID easily. Even after the default of one person, his interest was to save his house and he is ready to give the dues to the Company.

- Rupesh Sathya:** My question is a little different. My question was that after COVID, if we see a year, 2 years, 3 years the small borrower segment, SME segment, micro finance segment, then there was some stress even after 2-3 years of COVID, now things seem to be normalizing and small borrowers have been able to recover a little.
- How do you think will the things be in next 2-3 years. At least it seems that this segment will be fine, the borrowers of this segment will be fine and there will not be much stress. So, if we look at the other things like look at banks, look at NBFCs, I would like to know what is your view on this segment.
- Vinod Jain:** Sir, Now the stressful period which took a long time to recover after getting rid of Corona is now over for everyone. Right now, the coming 2, 3, 5 years look very good. As long as no such major incident happens, the market is very good and there is complete positivity.
- Every person has now started giving first preference to the house. Every man needs a house. Those who did not have a house during the COVID period, today they have it, in rural areas as well as in villages, every person wants a roof. Whenever he gets a little better, his first focus is to build his house, where he can keep his family safe.
- Rupesh Sathya:** Okay, okay Sir. Best of luck Sir. We hope to see 1000 crore AUM soon, Sir. Best of luck.
- Vinod Jain:** Thank you, thank you Rupesh.
- Moderator:** Thanks, Rupesh. We will take the next question from the line of Rohan Shah. Rohan, you can unmute and ask your question.
- Rohan Shah:** Hello Sir. I wanted to ask that when you open new branches, do company franchise it to someone or does the company itself operate it?
- Vinod Jain:** Till now the branches are operated by the companies and all the employees are on board. The company does not give any franchise.
- Rohan Shah:** Okay, Sir. And what is the monthly operating cost of the branch, around?
- Vinod Jain:** The average around 2 lakh.

**Rohan Shah:** Okay Sir, thank you.

**Vinay Pandit:** Thanks, Rohan. There's another question on the chat from Arvind Kumar. Profit Margin is getting suppressed due to rising interest rates and branch expansion expenses. Sir when can we see the profit margins we have seen in the past? Our profits are being suppressed due to branch expenses and interest rates Sir, so when will we achieve the old profit margin?

**Vinod Jain:** It is absolutely true; good question. If want to growth the Company more, then we have to expand more. If we think that we do not want to reach INR 5000 crore in 5 years and do more things then within 1 year all this will be settled and you will get all the things as you have got in past. If you want to grow things continuously, if you want to grow things 1.5 times, then it will take some time.

Because the team we are hiring now is for 5000 crores AUM. Till the 1000 crores AUM, I do not need to hire even a single person for my team.

If I think for expansion on PAN India level then I need a team and my expenses will increase. So, it is possible that in the next year we will get to see all these things a little less and within a year or two things will work. So, it will take two to three years.

**Vinay Pandit:** There is one more question in chat box from Mr. Prashant Galpade, what is the NIM for the current quarter?

**Vinod Jain:** Right now, our NIM is 2.73 and last year it was around 3%. The decline that has occurred is due to the increase in the repo rate.

**Moderator:** Right sir. Laxmi you can unmute and ask your question. Laxmi, we can't hear you clearly. Could you speak a bit closer?

**Laxmi:** Am I audible now?

**Moderator:** No, you'll have to speak a bit louder please.

**Laxmi:** Hello, sir. Am I audible now?

**Moderator:** Yes, yes.

**Laxmi:** Yes. So firstly, congratulations on a great set of numbers. My question is that in regards of the disbursement that we have right now, what is the distribution between the new branches and the existing branches?

- Vinod Jain:** I am currently not having this bifurcation with me. But I can tell you state wise AUM. So, if we take percentage wise, then in Rajasthan it is around - 57%, in Gujarat its 31%, in MP its 12%.
- Laxmi:** My second question is that now you have a branch in Mumbai, do you have any plans to open the new branches in other places of Maharashtra?
- Vinod Jain:** Next year we are planning in Maharashtra. In Maharashtra we are going in Vidarbha side and then in Nasik and in suburb area of Pune Because we work from main city to rural area so we are working on it. And next year we will open new branches in Maharashtra.
- Laxmi:** Sir, one last question. I wanted to ask that company plans to achieve at least INR 750 crore AUM in 12 to 18 months, what is your guidance on it?
- Vinod Jain:** We will achieve it easily. We are having average run rate of disbursements of INR 20 crore, according to this we will cross INR 750 crore easily. And if this run rate will become high, we will achieve the 750 AUM little sooner.
- Laxmi:** So, Sir, can you give some guidance regarding disbursement of old branches?
- Vinod Jain:** Currently I am not having this bifurcation with me. We will provide it to Vinayji, you can ask him later.
- Laxmi:** Thank you, Sir.
- Vinay Pandit:** Sir, I would like to ask a question related to this, we have 37 or 35 old branches so how much growth potential do old branches have?
- Vinod Jain:** In fact, no matter how many new branches are there, even today 70% of the business we are getting from old branches. In the new branch, team is not working full fledge and it's not been fully formed. So, now 30% to 40% of our business has come from the new branch and about 60% of our business has come from the old branch.
- Vinay Pandit:** Okay, but 60%-70% of your business is coming from old branches, from here you are going from INR 500 crore to INR 750-1000 crore, so is there any chances for these branches to scale up further?

**Vinod Jain:** 100% sir.

**Vinay Pandit:** Okay, okay right.

**Vinod Jain:** Even if we do not expand with the new branches from our 65 branches, we can easily make a profit of INR 1000 crore from these branches. Why we need to look for new territory because we have to look forward for coming 2 and more years. We are opening a branch in the South to check whether we can do full-fledged work here after a year or two.

When you have one year of experience in the a state you will understand business properly like what policy should you keep, how should you carry on the business, how much daily cash flow. So, a year before starting a full-fledged venture, we open 2-4 branches and see whether we are can generate good amount of business there or not.

**Moderator:** We'll take the next question from the line of Kamlesh. Kamlesh, you can unmute and ask your questions.

**Kamlesh:** Jai Jinendra Sir. First of all, congratulations for achieving new milestone of AUM 500 crore. So, you have just appointed your son as CEO, so what will be his role in SRG, and will you be able to explain a little about it?

**Vinod Jain:** Actually, Sir he has been in the field for the last 5 years, he stays in the field for 20 to 22 days a month and looks after all the branches. Earlier we have observed that There was a gap in teams, whether it is a branch manager or a field person, their connectivity with CEO or business head is always less. That is the reason my son has started looking the business from the ground and then he is appointed as the CEO, he is more connected with the filed team. Which is resulting in very good output. My role is more focused into looking at the funding part, management part like forming new team, new expansion ideas.

**Kamlesh:** Okay. Sir, my second question was that like we are opening branches in the south side, like every geography has a borrowing pattern. What do you see here, the risk borrowing in that region? What is your thought process?

**Vinod Jain:** Before going into any state, we check how many finance companies are already there? The rate at which we want to work, how much business can we do with our products, will we get these things or not? We get a survey done, make a report, on which cluster we want to go.

The branch from which we operate till what kilometer areas it will work? How many villages will we be able to go? How much business will we get? How negative or positive is that area? Which caste is prevalent there? How many loans do we want to make, what will be the ticket size? What to do in that population? We open the branch only after working on all these parameters.

**Kamlesh:** Okay, so as of now have you done a report by someone, which you can throw some light on?

**Vinod Jain:** All those are internal reports. We cannot give them. If you come sometime, we will show you.

**Kamlesh:** Second, I wanted to ask, now like elections are coming in Rajasthan, and also Lok Sabha election, so are you seeing any slowdown in growth in disbursement and lending? Can you tell us something about this?

**Vinod Jain:** See it slows down a bit. As on date we are having INR60 crore, INR70 crore which we have sanctioned. We are working on that. It is not that the business will be less. Only the process will slow down so the TAT will be little more. In the election time we will get less support from the government departments. But as soon as the election gets over it will start again.

**Kamlesh:** Okay, and I had a general question, generally in villages when we make houses etc., we take funding from relatives or friends. But in cities they see towards the bank that they try to get housing loan. So how do you create awareness in the villages generally?

**Vinod Jain:** Kamlesh you have raised a question which has touched my heart. This housing finance company since I have started, I am not running after AUM. I have felt the pain. In villages the people do not file income tax return. Even in today's date only 3% to 4% people file returns, no one is focusing on them, no bank gives them money, no finance company gives money, they take the money from relatives and build the house or do things. And they get burdened under the largesse of the relatives that pain only they can understand, what all things happen. If all of a sudden, your relation gets spoiled, he comes and ask the money. The situation is very bad there.

So, we lend these people. I want to highlight here that in villages ticket size is around INR 3 lakhs, 5 lakhs and we keep employees there which cost us high despite this we are working in this segment. Earlier these people used to pay the Sahukars 5%, 10% rate of interest.

In today's date we are getting them assimilated in the world and getting them in the vertical system. In today's date no company has the guts to go in rural and work there. They feel to do business in the easy areas from where they are getting good business. But after understanding the difficulties of rural people we decided to lend them and we believe we are not only doing business there but also getting blessings of all those rural people, and the ones who are joined with us. Once a person takes a loan from us he continue to be connected with us, we also get business from reference. This is our strength.

There are emotions in the rural areas and I believe we get the good recovery and collection there because the entire family is joined. We do not have problems in the collection. They stay in society. Only after seeing all these things, we work in rural. And what you are saying is right. In today's world due to trust issue Neither friend nor relatives give money.

- Kamlesh:** Right.
- Vinod Jain:** Only SRG gives money.
- Kamlesh:** Right sir. Thank you for throwing light on this. Thank you.
- Vinod Jain:** Thank you Kamleshji.
- Vinay Pandit:** Thank you Kamlesh. Sir, there is another question in the chat from Mr. Arvind Kumar. Are you planning to open branches in South India but why are you not entering into Kerala state?
- Vinod Jain:** Not Kerala, we are going in Karnataka, Telangana and Andhra Pradesh.
- Vinay Pandit:** Sir, he is asking that only, why are you not going in Kerala?
- Vinod Jain:** We are not looking for Kerela. According to our research Kerela is having majority of people belongs to one community and one caste. As per our Business modal we lend on those areas where community percentage is mixed of.
- Moderator:** Anybody else who wishes to ask a question, please use the option of raise hand. Kalpesh, you can go ahead and ask your question, Kalpesh Mahajan.
- Kalpesh Mahajan:** Hello sir.

- Vinod Jain** Hello Kalpesh.
- Kalpesh Mahajan:** Congratulations sir, on good numbers. Our business is doing well in Rajasthan and Gujarat. But we are not getting so many numbers in MP. So, what is the reason for that?
- Vinod Jain:** Actually sir, Gujarat is a more developed area. All the villages of Gujarat are developed. Even if you go to a village, all the roads and infrastructure is good. That is less so in MP. So, our focus is where we get a better quality business, we increase the team and do more work. It is not that we do not work in MP, but we got more here so we increased the business here.
- Kalpesh Mahajan:** Okay.
- Vinod Jain** There is no specific reason why it is less or more there. We did more expansion in Ahmedabad because we got more business there. Work is also fast there, judiciary is also fast, panchayat etc., is also fast. We get the documents faster and things move fast.
- Kalpesh Mahajan:** Okay, okay.
- Vinod Jain** Also the land laws in MP the land law etc. is extensive. So, it takes more time, while at other places the work gets done in less time.
- Kalpesh Mahajan:** Okay. Thank you, sir.
- Moderator:** Thanks Kalpesh. We will take the next question from Aditya Doshi. Aditya you can unmute and ask your questions.
- Aditya Doshi:** Hello, sir. Congratulations. You have given a very good result. My question is on BT. If we see the industry so lot of competitors have more pressure in this specific quarter. Usually, it goes on. What is your experience here? And second sir, we are growing now, our credit rating will also improve. So what is your thought process, so that you can pass on the yield? Will you pass on the benefit to the borrower, or no?
- Vinod Jain** Your question is very good Adityaji. The rate at which we are working, the average BT is about 10%. We do BT of other finance companies also. And there is only a difference of 2% to 5% after setup.  
Rating agencies have a criteria for rating which includes criteria on book size. They give BBB below book size of INR 500 crore. Between INR 500 crore to INR 700 crore, they give BBB+ (BBB



plus). A rating given on above INR 700 crore - 800 crore. Now whether it takes you one year or two year or three years. It usually takes that much time for these things. So as the rating goes up, our borrowing cost goes down. But even then we say, after increase in the Repo rate, now the new loans which we have taken near 11%, 11.5%. So, our average is around 11%- 11.25%. Previously also it used to be around 10.5% to 11%. We have maintained it even after the increase in repo rate.

**Aditya Doshi:** Thank you, thank you sir. Congratulations and all the best.

**Vinod Jain** Thank you.

**Moderator:** Sir, since there are no further questions, would you like to give some closing comments so we can end this concall?

**Vinod Jain:** I want to thank all the investors for your cooperation and support to take the company forward, we will maintain your faith always, and we will ensure that your expectations are met. It might take us a bit more time, but we will achieve these things.

My second generation is also in this business We do not have a short term program, we will grow long term. And you will see our name very soon in the top ten housing finance companies of India. We will surely work for that, and hope for your continued co-operation and trust like this. Thank you.

**Moderator:** Thank you, sir. That brings us to the end of this conference call. We thank the management for giving their valuable time for the call. And thank you to all the participants for joining us on the call. Thank you, sir.