



“LIC Housing Finance Limited Q3 FY2020 Earnings Conference Call”

January 31, 2020



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Moderator: Good day ladies and gentlemen and a very warm welcome to the LIC Housing Finance Q3 FY2020 Investors Conference Call, hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode. 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Praveen Agarwal from Axis Capital Limited. Thank you and over to you Sir!

Praveen Agarwal: Thank you, Aisha. Good morning, everybody, and welcome to this earnings call of LIC Housing Finance. From the management team, we have Mr. Siddhartha Mohanty, MD and CEO; and Mr. Sudipto Sil, CFO. I would request Mr. Mohanty to take us through the key highlights for the quarter gone by and post that, we will open the floor for Q&A. Over to you, Mr. Mohanty.

Siddharth Mohanty: Thank you. Welcome to the conference call of LIC Housing Finance Limited. As you would be knowing LICHFL declared its Q3 FY2020 results yesterday. The key highlights of the results are as follows.

Revenue from operations Rs.4,996 Crores as against Rs.4,439 Crores for the corresponding quarter of the previous year, showing a growth of 13%. Outstanding loan portfolio is at Rs.2,05,690 Crores against Rs. 1,81,553 Crores as on December 31, 2018, reflecting a growth of 13.29% out of which individual loan portfolio stood at Rs.1,92,452 Crores as against Rs.1,70,652 Crores, up by 13%.

Within the individual loan portfolio, home loan portfolio recorded a growth of 13%. Disbursements in the individual home loan segment clocked a healthy growth of 16% during the quarter and stood at Rs. 10,655 Crores against Rs. 9,170 Crores.

Disbursements in the project loans were lower at Rs.931 Crores as against Rs.1,238 Crores. Total disbursements during the quarter were Rs.13,177 Crores against Rs.12,778 Crores for the same period in the previous year.

Net interest income for the Q3 was at Rs.1,228 Crores as against Rs.1,043 Crores, up by 18%. Net interest margin for the quarter were at 2.42% as against 2.33% for Q3 FY2019.

Profit before tax for the quarter stood at Rs.745.32 Crores as against Rs.859.59 Crores, a decline of 13%. Profit after tax for the quarter stood at almost similar level at Rs.597.53 Crores as against Rs.596.31 Crores for the Q3 of the previous year.



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During the quarter under review, the company performed quite well in the individual home loan segment, recording a disbursement of Rs.10,655 Crores as against Rs.9,170 core for the corresponding quarter in the previous year, recording a growth of 16%.

Amongst the regions, the Central, North Central, South Eastern and Northern regions registered good growth.

The company's strong performance in the Pradhan Mantri Awas Yojana - Credit Linked Subsidy Scheme segment continued in Q3, with company disbursing more than 16,000 loans totaling to more than Rs.3,400 Crores during the period, clocking a growth of 88% and 106%, respectively.

For the year, company has already disbursed more than 40,800 accounts, totaling Rs.8,400 Crores under PMAY. As mentioned in our previous interactions, we continue to be extremely confident of continued growth in this area. And I strongly believe that this will act as an engine of growth for the company.

As far as disbursements in project loans is concerned, we have continued to be selective, considering the overall market conditions and have disbursed Rs.931 Crores in Q3 as against Rs.1,238 Crores for the corresponding quarter in the previous year.

On the business front, recently, we have launched 2 new products to cater to the needs of the customers, which are very relevant in the current environment.

One is aimed at under construction homes, where there, the customer can opt to pay only interest till the date of occupation or for 48 months, whichever is less.

In the other product for ready-to-move-in dwelling units, there is an EMI waiver up to 6 EMIs, subject to certain conditions. Both products have been received very well by the market and will generate confidence amongst homebuyers.

On the portfolio growth front, the total portfolio recorded a stable growth of a little more than 13% and now stands at Rs.2,05,692 Crores. Our focus in the affordable segment has led to a healthy growth in the individual home loan segment at about 13% year-on-year. Individual home loans stand at more than 76% of the total loan portfolio.

In terms of asset quality, there has been an increase in stage 3 exposure at default, which has increased by 35 basis points from September 2019 from 2.38% to 2.73%. However, it is



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encouraging to note that there has been no further increase in the project loans from September 2019 level of Rs.2,000 Crores approximately.

In the retail segment, this stage 3 has increased to 1.92%. Within that number, there are approximately Rs.180 Crores of loans which are up to date, but have been classified as nonperforming because the other account taken by the same customer is nonperforming. This has accounted for nearly 10 basis points of the 35 basis points increase in delinquencies for the quarter.

Improvement in asset quality is our highest priority area, and we are confident of improvement. This quarter, we have made a much higher provision of Rs.390 Crores, which has impacted the profits, the total provisions of MCLR at a little over Rs.2,500 Crores, a coverage ratio of approximately 45%.

On the funding side, we have witnessed a reduction in overall cost of funds by 27 basis points during the current financial year. For Q3 alone, the incremental cost has declined 69 bps year-on-year from 8.56% to 7.87%.

Net interest income registered a strong growth of 18% for the quarter as compared to the corresponding quarter of the previous year. Net interest margins for the quarter stood at 2.42% as against 2.33% over previous year, an improvement of 9 basis points.

The funding environment and the liquidity conditions remain quite favorable. During the quarter under review, we have raised funds through NCDs, bank loans, CPs and public deposits. Also, the company raised an ECB of USD 200 million during the quarter as a strategy to diversify its resource base.

With this introduction, I would like to invite you for your queries. Thank you.

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

Nishant Shah: A couple of questions. Firstly, just love some clarification. So, on Slide #10, you have given the portfolio, the loan book composition, where developer loans are shown at 6.9%, right?

Siddhartha Mohanty: Yes.

Nishant Shah: And if you go to Slide #14, the slide titled Executive Summary of 3Q, the project loans are given as Rs. 13,233 Crores on a base of Rs. 2,05,000 Crores.



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- Siddhartha Mohanty:** Rs. 2,05,000 Crores, right.
- Nishant Shah:** Right. So, the number works out to be about 6.4%. So, like if I were to just do 6.9% of the Rs. 2,05,000 Crores, it turns out to be a little bit higher, like closer to Rs. 14,192 Crores.
- Sudipto Sil:** Correct.
- Nishant Shah:** So, what is the difference here?
- Sudipto Sil:** See, this is Sudipto here. These are very technical explanation. As per the Ind AS, you have to actually knock off the specific provisions against the portfolio to arrive at a balance sheet reporting figure.
- Nishant Shah:** Okay. So, because you did not want to it to be have a higher?
- Siddhartha Mohanty:** Was marginal.
- Sudipto Sil:** It was technical, but when you are presenting the balance sheet numbers, it has to be presented that way. But overall, composition of the assets is exactly what is mentioned in the earlier slides.
- Nishant Shah:** Okay. Yes. This is very clear and secondly, a question on your overall project loans. So how many project loans would still be under moratorium right now, which in your assessment, are likely to like say slip or they are stuck or some other form of stress? What would be the quantum and maybe the number?
- Siddhartha Mohanty:** Till now, all projects loan, whatever has become NPA already has become NPA. But all other loans, they are paying regularly. And we do not find any stress in those projects because their sell ability is very high and there is cash flow is there. So, we are observing them. So, I do not think there will be any such problem for those loans, project loans.
- Nishant Shah:** Okay, Sir. Just a follow-up then. What percentage of your developer book would still be in moratorium right now?
- Siddhartha Mohanty:** Around 25% to 27%.
- Nishant Shah:** Thank you,



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- Moderator:** Thank you. The next question is from the line of Kunal Shah from Edelweiss. Kunal Shah, your line is in talk mode. Please go ahead. As there is no response from the current participant, I have muted the line. The next question is from the line of Sachin Shah from Emkay Global Financial Services.
- Sachin Shah:** A couple of questions. Just first, one clarification, you mentioned that retail GNPA is 1.92%.
- Siddhartha Mohanty:** Yes.
- Sachin Shah:** Which means that in this quarter, whatever has been the incremental NPLs, that large part has actually come only from retail. And on corporate side, there is not much slippage in this quarter.
- Siddhartha Mohanty:** Actually, in fact, let me clarify further. Actually, corporate loan, we have been able to control. In fact, it has been less, few Crores, some Rs. 24 Crores, Rs. 25 Crores less as compared to last quarter, Q2 to Q3, becomes less, but retail, as you told, retail, because of technical reason, we have experienced some spike in individual loan NPA having multiple accounts. Means one account is NPA, but that individual loanee, he has 3, 4 loan accounts. He has taken top of loan subsequently 2 or 3 loan for the extension, something like that. This time, our experience is bitter as compared to previous quarter. So, this has gone up. Retail loan has gone up. And that amount, if I can say a rate, is almost Rs. 175 Crores, Rs. 180 Crores total NPA for this account but actual NPA, particular account if you take together, it will be some Rs. 54 Crores, Rs. 55 Crores. So that is why it has gone up, retail.
- Sachin Shah:** Okay. Now my question is on the corporate loan book or developer's loan book. If you could give us some of the granular numbers, like what is the concentration of top 10 exposures in this particular segment? And how much of it has already slipped? And what is the total PCR on the only developer's loan portfolio? And if you have this rating of the developer's loan portfolio, if you can give us some highlight on the distribution of that rating?
- Siddhartha Mohanty:** Actually, developer loan, you see, around 260 total accounts are there. And we have identified already which are under NPA, we are after them. 5 cases already we have taken up to NCLT and 2 cases, I think we are hopeful, already NCLAT has given direction to settle before March. Then besides that, we are making adequate provision for all this developer book and some 14 accounts amounting to around Rs. 1,000 Crores, Rs. 1,100 Crores or something, those have been referred to AIF. They are eligible for this alternative



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investment fund, which is managed by SBICAP. So, all these activities we are undertaking. And adequately, our provision for entire NPA, we have made 45%, 46% provision, we have provided for that.

Sachin Shah: Sir, what is particularly only for developers, so where GNPA is about the -- about...

Siddhartha Mohanty: Our developer book, 51% is provided.

Sachin Shah: Sorry?

Siddhartha Mohanty: 51%.

Sachin Shah: Okay. 61% or 51%?

Siddhartha Mohanty: It is 51%, 51%. 51.17%.

Sachin Shah: That is for developer's loan?

Siddhartha Mohanty: For developer.

Sachin Shah: And top 10, what would be the total exposure?

Siddhartha Mohanty: Top will be around 14% to 15%.

Sachin Shah: Okay. And how many of this top 10 would have already...

Siddhartha Mohanty: Actually, exact total NPA will be 14.5% or 14.05%.

Sachin Shah: Top 10. And of this top 10 or let us say, 14%, 15%, how much would be already classified as NPA?

Siddhartha Mohanty: All, all.

Sachin Shah: All of them?

Siddhartha Mohanty: Yes. I think total, it will be 15%, 16% within that.

Sachin Shah: Okay. So, 15%, 16% of this 15%, 16% is already part of NPA?



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- Siddhartha Mohanty:** Yes, yes.
- Sachin Shah:** Just last question on the repayment side. If I look at your individual loan repayment this quarter or, let us say, if I am just doing a calculation, opening plus disbursement minus the closing amount, there seems to be significant spike over there in terms of repayment number. So, have we either securitized something or assigned something?
- Siddhartha Mohanty:** No, no. There is no securitization so far.
- Sachin Shah:** Okay. So, as we are looking at repayment rate which is about, let us say, 4% or let us say, Rs. 5,500-odd Crores per quarter, it looks like this quarter, this number has gone up to Rs. 8,100 Crores, only individual loans right now.
- Sudipto Sil:** See, actually, the number also includes the repayments as along with the prepayments.
- Siddhartha Mohanty:** Total repayment also.
- Sudipto Sil:** But if you see the presentation, we have very clearly given the prepayment numbers, which is very stable. In fact, slight decline is there as compared to last year, which is right now at 10%. So that is more or less in trend.
- Sachin Shah:** Sudipto. Just wanted to understand one basic in terms of direction if you see in the last 12 months or so or the last 9 months, the gross NPAs are actually nearly double, it is like from Rs. 1,500 Crores, Rs. 1,600 Crores, we have gone to Rs. 3,000 Crores. So that is my first question that is this is really a sign of worrying or something? I mean, how do you see this? That is number one and second, if I just see that overall provisioning number also has been very large for the last many quarters now. So, like if I just take FY2018, FY2019 and FY2020 year-to-date, they have provided nearly Rs. 2,000 Crores on the provisioning side. Now if I take 10 years before that, the cumulative number would have been just about less than Rs. 1,000 Crores. So obviously, this developer loan book has hit us back quite badly. And now how do we see this directionally going ahead? Can you just give us some sense on these 2 points? One is the retail gross NPAs going from Rs. 1,500 Crores to Rs. 3,000 Crores in the last 9 months. And one is this provisioning number being so large, maybe a lot to do with developer loan book. How do you pursue this now going ahead, these 2 points of mine?
- Siddhartha Mohanty:** In fact, our experience in the last quarter is far, far better as compared to previous quarters so far as recovery is concerned. Last quarter, every time, last quarter, we make a good recovery. So, if you see, as you told, provisioning is going up and no doubt, NPA has also



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gone up, particularly this individual segment. As I told earlier, individual segment because of multiple accounts. So technically, those are NPA. Otherwise, that would have been reduced too. And we are providing adequately for that. But I am hopeful in the current quarter, this Q4, things will be under control, particularly 2, 3 big accounts, we are hopeful of resolution. Already court orders are there. 2, 3 accounts, we are also discussing, some payments will come. In some projects, already part payment, they have already made. So last quarter, I am very much hopeful this will not further spike.

Sachin Shah: Okay. Yes. And I was not only asking for this one quarter or so, I am saying in the next 12 months, 18 months, 24 months.

Siddhartha Mohanty: That we are taking care, actually. You see, current year, if you see our project loan disbursement, there has been a decline; heavy decline is there, 57% dip in the project loan. So, we are very selective in project loan. So that will give us some boost in next year in asset quality. Asset quality will help us. Okay. So, I do not see in coming year, there will be any further growth in this NPA. So, this year, we have been very conservative. That is why you see our result is also very conservative. So next year, all good things will come.

Sachin Shah: And in terms of this gross NPA for the retail book, which has nearly doubled in the last 9 months...

Siddhartha Mohanty: That I explained, because of single account going NPA having multiple accounts.

Sachin Shah: That amount is just you said less than Rs. 200 Crores, right, because of that?

Siddhartha Mohanty: Yes.

Sachin Shah: But out of Rs. 1,600 Crores to Rs. 3,000 Crores, so which is additional Rs. 1,400 Crores.

Siddhartha Mohanty: Even that, when we segregate the individual, we also take individual big ticket size loan, individual commercial LAP also we consider at individual. Otherwise, pure home loan, individual home loan is much less, it is 1.3% or 1.4%. It will be 1.3%, pure individual housing loan. But we categorize also commercial individual, commercial LAP, if some individual takes a commercial loan also, so that is why it is a bit high.

Sachin Shah: So how do you see your LAP book in terms of the quality going ahead?

Siddhartha Mohanty: LAP also, quality is good. LAP we are doing well. We have introduced commercial LAP in the current year that is also doing well. And experience, there also, it is very negligible.



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Asset quality is good. 2% to 3% delinquency is there. But it is totally backed by quality assets.

Sachin Shah: Okay. On that rating distribution, do you have data? I mean, what is the rating distribution of developer's loan portfolio in terms of credit rate?

Sudipto Sil: No, we have some internal rating.

Siddhartha Mohanty: Internal rating.

Sudipto Sil: Yes, that is internal.

Moderator: Thank you. The next question is from the line of Roshan Chutkey from ICICI Prudential. Please go ahead.

Roshan Chutkey: So how much is the LRD book out of this Rs. 13,000 Crores that we have?

Sudipto Sil: Out of which?

Roshan Chutkey: Out of the commercial book that we have?

Sudipto Sil: Out of the developer loans, it is around Rs. 3,000 Crores.

Roshan Chutkey: Rs. 3,000 Crores. Now when you say, 25% to 26% is...

Sudipto Sil: Rs. 3,000 Crores. In the project loans, in the project loans.

Roshan Chutkey: So out of the Rs. 13,000 Crores.

Siddhartha Mohanty: At retail also, we have LRD. Retail also, we have LRD. Individual set, that is also considered as the individual LRD. So total LRD, corporate as well as the individual, will be some nearing Rs. 8,000 Crores, Rs. 8,000 Crores.

Roshan Chutkey: Rs. 8,000 Crores. Okay.

Siddhartha Mohanty: Yes.

Sudipto Sil: But this is disclosed in 2 separate segments. That you are aware of?



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- Roshan Chutkey:** Sure, yes. So, of the Rs. 13,000 Crores, approximately Rs. 3,000 Crores is LRD. When you said 25% to 26% of developer book is under moratorium, the base is, the denominator is Rs. 10,000 Crores or Rs. 13,000 Crores, Sir?
- Sudipto Sil:** No, no, no. See, LRD, there is no moratorium.
- Roshan Chutkey:** Correct. Therefore, what is the base? Base is Rs. 10,000 Crores, right?
- Sudipto Sil:** Yes. Approximately, yes.
- Roshan Chutkey:** So last quarter, you had something like Rs. 4,500 Crores under moratorium, if I remember right?
- Sudipto Sil:** Correct.
- Roshan Chutkey:** So now the number has dropped to Rs. 2,500 Crores?
- Sudipto Sil:** Yes.
- Roshan Chutkey:** And what is the experience of the ones which have come out of moratorium?
- Siddhartha Mohanty:** They have started paying.
- Sudipto Sil:** In fact, yes, the NPA overall in the project loan segment has come down.
- Roshan Chutkey:** Okay, that is great. Okay, fine. So, on the individual book, so what percentage of the individual book is there where top-up loans is given? Like multiple loan accounts where you are facing an issue right now?
- Sudipto Sil:** No, see, that multiple loan accounts and top-ups are not one and the same. Multiple loans is that a person might have taken 2 different loans, would be for 2 different properties also. Not necessarily for the same property. So kindly do not interpret top-up and regular loans.
- Roshan Chutkey:** Multiple property, okay.
- Sudipto Sil:** It could be different properties also.
- Roshan Chutkey:** But just to get a hang of it, I mean...



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- Sudipto Sil:** And overall, it is just less than 1%.
- Roshan Chutkey:** Overall less than 1% is where, multiple loan accounts have been there, are there?
- Sudipto Sil:** Yes.
- Roshan Chutkey:** Okay. And slippages under the individual book. Now what is the slippages that we have this quarter?
- Sudipto Sil:** See, as compared to last September quarter, the increase is roughly on Rs. 800 Crores.
- Roshan Chutkey:** Right. But slippages, what is there? No, but not all of it is slippages, right? There may be some impairment?
- Sudipto Sil:** Yes. Net of the Rs. 180-odd Crores which is actually standard assets, will be the next slippages will be around Rs. 600-odd Crores.
- Roshan Chutkey:** Okay. But how much of it is from LAP and the other stuff that you do?
- Sudipto Sil:** See, LAP that is the non-core portion of it. That is a non-home loan portion of it will be around Rs. 200 Crores to Rs. 250 Crores. And another Rs. 200 Crores to Rs. 250 Crores will be from the home loans and across around Rs. 180 Crores or Rs. 200 Crores will be approximately the accounts which we just mentioned, that multiple accounts. This is spread across.
- Moderator:** Thank you. The next question is from the line of Mahrukh Adajania from IDFC Limited. Please go ahead.
- Mahrukh Adajania:** Could you give the numbers of core retail NPLs for last quarter and this quarter? This quarter, you gave. Last quarter, what was it? This quarter, you said it is 1.3%?
- Sudipto Sil:** Last quarter, September quarter was 1.05%.
- Mahrukh Adajania:** Yes, 1.05%, okay. Got it. And this multiple account, the change in policy happened now.
- Siddhartha Mohanty:** In the last quarter.
- Sudipto Sil:** No, no, it was earlier. Last quarter.



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- Mahrukh Adajania:** Sorry. So, you changed the policy of clubbing all accounts?
- Siddhartha Mohanty:** Last year, it was there, but this year, there is a spike in this segment.
- Mahrukh Adajania:** Okay. And it is nothing to do. There is no geographical bias there, right?
- Siddhartha Mohanty:** No, no, across. It is across.
- Sudipto Sil:** Right across.
- Mahrukh Adajania:** Okay. And what is the LAP NPL in retail last quarter and this quarter?
- Siddhartha Mohanty:** 2% to 3%.
- Sudipto Sil:** It will be 2% to 3% in LAP.
- Mahrukh Adajania:** Sorry?
- Siddhartha Mohanty:** 2% to 3% in LAP.
- Mahrukh Adajania:** This quarter and last?
- Siddhartha Mohanty:** Yes.
- Mahrukh Adajania:** Could you give the absolute number?
- Sudipto Sil:** Right now, it is around 3%.
- Mahrukh Adajania:** 3%. Okay. And last quarter, it was?
- Sudipto Sil:** Last quarter means September quarter, it was around...
- Mahrukh Adajania:** In September?
- Sudipto Sil:** It was around 50, 60 basis points lower. I think 2.2% is the number last.
- Moderator:** Thank you. The next question is from the line of Pranav Gupta from Birla Sun Life Insurance.
- Pranav Gupta:** So there has been also an increase in your stage 2 assets.



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- Sudipto Sil:** Can you speak up a little loudly, Sir, please?
- Pranav Gupta:** Can you hear me now?
- Sudipto Sil:** Yes, this is better.
- Pranav Gupta:** Yes. So apart from the NPL increase that we have seen, we have also seen an increase in stage 2 assets.
- Sudipto Sil:** Correct.
- Pranav Gupta:** Which is about Rs. 2,000-odd Crores for this on a sequential basis. If you could give a sense on whether this is coming from the developer book or the LAP book or any particular geographies, if you would give some color?
- Siddhartha Mohanty:** Actually, in fact, it is not from developer book. As I told you earlier, multiple accounts. That experience this quarter, it is bitter. It was there earlier, but this quarter, it has gone up. Single loan having multiple accounts and a single account going to default. So, all other accounts also are treated as that NPA. And if you see builder book, builder book, in fact, as compared to Q2, Q3 is less. That somehow, we have been able to control. In fact, Rs. 24 Crores, Rs. 25 Crores less NPA is there in the current quarter. So that is why stage 2 has gone up. As compared to Q2, stage...
- Pranav Gupta:** This Rs. 2,000 Crores increase is attributable to these multiple accounts?
- Siddhartha Mohanty:** Not Rs. 2,000 Crores increase is not there. Rs. 800 Crores total increase in total...
- Pranav Gupta:** I am talking about the stage 2 assets?
- Siddhartha Mohanty:** Stage 2, yes.
- Sudipto Sil:** Yes. Can you speak up a little loudly, please?
- Pranav Gupta:** Yes. I am talking about the stage 2 assets, which have increased from Rs. 9,600-odd Crores to about Rs. 11,750 Crores?
- Siddhartha Mohanty:** Yes, yes.
- Pranav Gupta:** So, if you could give us a sense of where -- what portfolio this stress is looking from?



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- Sudipto Sil:** This is mostly in the retail segment. It is mostly on account of delays. And just to also give you one more data point, to share with you one more data point is that we have internally just assessed that even for the loans which were NP as on 30th of September, about 2,000 accounts, they have made payments in the retail side, 2,000 accounts, they have made payments of total around Rs. 40 Crores to Rs. 50 Crores. Though they have not been able to fully service the EMIs, but the payments are there, which means that this slowdown which is there, this transition from stage 1 and stage 2 partly is accounted through that, that there is some payment which is coming, but the payment is not exactly equal to the EMI the reason for which it is moving from the stage 1 to the stage 2, but payments are coming.
- Pranav Gupta:** Right, right. Okay, Great, so just one more clarification. You said that about 15% of your developer book is to top 10 accounts in the developers. Is that right?
- Sudipto Sil:** Yes, roughly, yes.
- Siddhartha Mohanty:** Around.
- Sudipto Sil:** All the constructions in the site, yes.
- Pranav Gupta:** Right. So, about Rs. 1,500 Crores is to top 10 accounts?
- Sudipto Sil:** Yes, roughly.
- Pranav Gupta:** Okay. And your NPA level in this book is about 13% to 14%?
- Sudipto Sil:** Yes, roughly I think 16% was the number which was given. 16%, 17%.
- Pranav Gupta:** Just one last data point. If you can help us with the Y-o-Y comparable numbers for individual home loan and LAP NPAs, that will be very helpful.
- Sudipto Sil:** Individual?
- Pranav Gupta:** Individual home loan and LAP NPA.
- Sudipto Sil:** Individual home loan, what, disbursement number?
- Pranav Gupta:** No, no. The NPA number. So, you said?
- Siddhartha Mohanty:** NPA number, actually, last year, last year, NPA individual home loan was 1.14%.



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- Pranav Gupta:** Okay, which was at 1.05%?
- Siddhartha Mohanty:** Retail individual home loan last year, last March, 20 March, 2019 March. And total was 1.54% and our project book was 6.96%.
- Pranav Gupta:** Right, right. And if you could also give that number for the...
- Siddhartha Mohanty:** And the current year, it is 1.92% and 2.73% total. Builder book is 14.05%.
- Moderator:** Thank you. The next question is from the line of Dhaval Gada from DSP Mutual Fund. Please go ahead.
- Dhaval Gada:** Just 2 questions. One, could you give the gross NPA for top 7 cities? And beyond those 7 cities, what is the gross NPA breakdown...
- Sudipto Sil:** No. That we do not have the number readily. I do not have the number readily.
- Siddhartha Mohanty:** Citywide, we do not maintain. We have total, we have kept. So total figure, it was some Rs. 5,686 Crores, the NPA, gross NPA.
- Dhaval Gada:** Sorry, I missed the comment, Sir?
- Siddhartha Mohanty:** Total NPA, Rs. 5,686 Crores, gross NPA.
- Dhaval Gada:** Sir, could you give a percentage for individual self-employed and individual salaried NPA number, if that is available?
- Siddhartha Mohanty:** That is also not here.
- Sudipto Sil:** By and large, it is similar. By and large, it is similar experience.
- Dhaval Gada:** Just one last thing, Sir. I mean, when we look at data, for us, the NPA spike has been far severe compared to what you have seen in the bureau as well as some of our competition. So, is there any specific reason why we are seeing such high levels of individual NPAs? I mean, any color around that?
- Sudipto Sil:** Can you please repeat your question, sorry?



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- Dhaval Gada:** No, no. I was saying in the individual HL, home loan NPAs, the rise for us has been far sharper than what we have seen for some of our peers. Is there a specific reason that you can identify why it has happened for us with this...?
- Sudipto Sil:** So, I cannot comment upon the competition. That is something which I cannot comment. We have shared all data regarding our company. We cannot comment about other companies.
- Dhaval Gada:** Okay. Okay. And what is the impact of this higher level of NPAs on the interest income line because that is something that we have not seen materially. So, is there any interest income reversal that we have seen? Or that is not there?
- Siddhartha Mohanty:** No, no.
- Sudipto Sil:** No, no. It is not there.
- Moderator:** The next question is from the line of Bhavik Dave from Nippon India Mutual Fund. Please go ahead.
- Bhavik Dave:** Sir, I just wanted to understand, so we have got a feedback from other companies stating that salaried under construction segment, where the project has been halted and developers have stopped payment and that is leading to some increase in salaried retail NPAs. Can we throw some light on if we have a new proportion of our loan book there? Or what is your sense? Is this happening in the market? Or is it very specific to certain cities?
- Sudipto Sil:** Actually, I do not know whether that is the situation. Because even though the construction stalls or go slow, an individual generally does not stop payment because it impacts the credit score, CIBIL credit score. And that probably creates more situations or problems for the individual homebuyer as compared to the solution that he is seeking. So, I do not know to that extent, maybe a few stray cases could be there as you would have interacted with them, but overall, generally, it is not the experience.
- Siddhartha Mohanty:** Actually, if I tell you, particularly, just let me further clarify, particularly if you take NCR, most of the projects are stalled, and many of our individual borrowers, they have taken houses in those projects. But our experience is good because they are continuing repayment, particularly if I analyze the NCR segment because the projects are stalled, but we are getting regular repayment from our individual home borrowers. That is there. Few cases are there. Their NPA, very, very negligible, but that is there. So, it is not that if a project is stalled, individual home borrower will not continue EMI repayment that is not there. Then



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secondly, we have introduced one product recently to address this issue. We have given principal repayment holiday up to 48 months for under construction project. Pay When You Stay 2020 Home Loan Offer that we have given whereby one person can just pay interest only up to 48 months or till possession of the house, whichever is earlier, if he is going for under construction project. So, I think that will address the issue. If readymade house he is purchasing, 6 EMI waivers, up to 6 EMI waivers also we have given.

Bhavik Dave:

Sir, this is for your previous customer as well? Or is it for incremental customer?

Siddhartha Mohanty:

This is new customer. This new product we have given for our new customers. Previous customers, they are paying. Regularly, they are paying.

Bhavik Dave:

Sir, just to understand, out of our individual home loan book, like what proportion of the book will be in the Rs. 1 Crores, Rs. 2 Crores above ticket sizes, like the luxury segment in Bombay and Delhi, specific geographies, right, with Bombay and Delhi are the two cities where we will have high-end luxury housing. So what proportion of our loan book would be to that?

Sudipto Sil:

Total Rs. 1 Crores loan.

Bhavik Dave:

Rs. 2 Crores, whichever you feel?

Siddhartha Mohanty:

It is very less. Percentage-wise, it will be very, very less. Actually, our strength is in affordable segment, our average loan size is Rs. 23 lakhs, Rs. 24 lakhs. Rs. 2 Crores, Rs. 1 Crores loans are there, but exact figure, I am not able to give. But percent-wise, it will be 2%, 3%.

Moderator:

Thank you. The next question is from the line of Nischint Chawathe from Kotak Securities. Please go ahead.

Nischint Chawathe:

So, you just meant that your NPL ratio in the developer book is around 14.05% and the NPL ratio in the individual the home loan business is around 1.3%. Mathematically, what that means is that your NPL in the non-core segment, which is essentially LAP, et cetera, works out to around 4.8%, and the absolute amount is around Rs. 1,600 Crores from approximately Rs. 800 Crores in the previous quarter. So, I was just saying that mathematically, either something does not add up or maybe there is a massive growth in the LAP segment?



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- Sudipto Sil:** No. Actually, the NPLs there, as I mentioned in the earlier question, slightly more than 3%. Maybe somewhere because may be somewhere it is not reconciled because somewhere the base is taken as the ECL adjusted base. So probably a couple of thousand Crores there could be a difference in the outstanding amount, as I had pointed out in the first question itself.
- Nischint Chawathe:** But in individual LAP
- Sudipto Sil:** But it is 3%, around 3% for the LAP.
- Nischint Chawathe:** But in that case, what you are trying to say is that on the individual retail side, possibly the growth is a lot more. I mean, we are just trying to understand in terms of percentage growth?
- Sudipto Sil:** No, no, no, forget the percent. We have shared the exact numbers, exact numbers we had shared.
- Nischint Chawathe:** Okay. If you could share the exact numbers of the GNPLs?
- Sudipto Sil:** See exact numbers we have shared. We have shared the exact numbers. Out of Rs. 5,686 Crores of total NPA, Rs. 2,000-odd Crores, slightly more than Rs. 2,000 Crores is the project loan NPA. Balance is the retail NPA. In the Indian -- individual home loans, it is between 1% and 1.35% thereabouts.
- Nischint Chawathe:** 1.35%
- Sudipto Sil:** Exact numbers and all that, you can find out. Okay?
- Nischint Chawathe:** So that is approximately Rs. 2,000 Crores?
- Sudipto Sil:** Whatever, I have not checked the numbers but whatever is the number, yes.
- Nischint Chawathe:** Because balancing is still working out to somewhere close to 4.5%?
- Sudipto Sil:** No, maybe around 3-point-something percent.
- Nischint Chawathe:** Sure. Maybe my only request to you is maybe we can put it in the presentation because I think in the last 40 minutes, maybe 15, 20 minutes have gone in kind of trying to reconciling this number. So, if we can put it in the presentation.



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- Sudipto Sil:** No. I mean, because there are several products sub categories, maybe there is some confusion there.
- Nischint Chawathe:** Just now, the second question is your view on coverage on stage 1 and stage 2 loans, it has kind of gone down to quite a low extent this quarter. So, it is almost Rs. 33 Crores.
- Sudipto Sil:** Correct, correct.
- Nischint Chawathe:** It is around 2 points. So how should one really be thinking about it?
- Sudipto Sil:** See, this is, again, I think in last several calls, we have tried to answer this query. This is actually a formula-driven number which comes out. There is a formula-driven calculation for the expected credit loss arising out of the exposure at default. So, it is being applied. So, there is a study -- this model is based upon 20 quarters previous numbers, and that is how the number is derived. So, it is possible that in a particular quarter in that period of 20 quarters, there could have been a lumpy kind of an increase or decrease due to which this is happening. Actually, we do not have the control on this because it is a formula-driven, system-driven kind of an input which comes.
- Nischint Chawathe:** Because the absolute number has changed a lot. So logically, if this is supposed to show a long-term trend, then the absolute number is swinging quite a lot.
- Sudipto Sil:** No, I know that. I get your point. But this is something which is basically a statistical analysis of last 20 quarters, which is thrown up through a particular model. And that is how it is being adopted.
- Nischint Chawathe:** Sure, great.
- Sudipto Sil:** Which is obviously duly assessed by the auditors as well.
- Moderator:** Thank you. The next question is from the line of Kunal Shah from Edelweiss. Please go ahead.
- Kunal Shah:** So sorry, once again, to touch upon these numbers, okay. Actually, these are not getting tallied. So, this 1.3% of retail home loan, does that include this Rs. 180 Crores of multiple accounts or this is excluding?
- Sudipto Sil:** No, no. That is actually across all categories.



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- Kunal Shah:** So, this Rs. 180 Crores would have been in LAP as well as in terms of the home loan. It would be across.
- Sudipto Sil:** Correct, correct.
- Kunal Shah:** Or more so it will be in LAP, and that is the reason maybe LAP number seems to be.
- Sudipto Sil:** Yes.
- Kunal Shah:** No. So, it is in LAP or it is in home loan?
- Sudipto Sil:** Partly it is in home loan, but it is also there in all segments of retail, in all segments of retail. The total number is around Rs. 180 Crores.
- Kunal Shah:** Okay, total number is Rs. 180 Crores and it would be spread across both of them?
- Sudipto Sil:** Yes.
- Kunal Shah:** Okay. Sir, the only thing is like, again, what maybe Nischint also have touched upon. If I were to look at it, 1.35% and multiply by your individual book, which is Rs. 1.50 lakhs
- Sudipto Sil:** Let us keep the calculations. I mean, we can always address the calculation, but maybe some
- Kunal Shah:** No, Sir. I just want to get the sense wherein this NPLs are coming. So actually, what you broadly highlighted at the start, that Rs. 180 Crores is multiple account and thereafter, it is like Rs. 200 Crores, Rs. 250 Crores in home loan, and Rs. 200 Crores, Rs. 250 Crores in LAP.
- Sudipto Sil:** Yes. Total around Rs. 800 Crores. Let me again go through the numbers in case you have missed it, approximately Rs. 800 Crores. See, I am not getting into the exact number whether it is Rs. 802 Crores or Rs. 822 Crores or whatever, approximately Rs. 800 Crores and thereabouts and about roughly around Rs. 180 thereabouts, I am just giving you an approximate number, is because of the double so that leaves around Rs. 650 Crores or thereabouts. so now everything has to fit in that. In terms of the project loan numbers, NPL number, there is no increase. So that is around say Rs. 2,000 Crores whatever. So, balance Rs. 3,400 Crores, that is where probably you are missing, probably the Rs. 180 Crores, you are counting 2x or you are not counting 2x.



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- Kunal Shah:** No, no.
- Sudipto Sil:** See, let us not reconcile this. I mean, this is
- Kunal Shah:** No one second. Just maybe Rs. 180 Crores is multiple accounts.
- Sudipto Sil:** Correct.
- Kunal Shah:** Then project loan has not gone up. So Rs. 620 Crores is between the home loan and LAP.
- Sudipto Sil:** Correct.
- Kunal Shah:** So now in that, based on 3%, 3.2% left is somewhere around Rs. 200-odd Crores. So, balance Rs. 450 Crores, Rs. 500-odd Crores seems to be in retail compared to what you are analyzed
- Sudipto Sil:** Rs.300 Crores, Rs.300-odd Crores
- Kunal Shah:** Okay. Rs. 300-odd Crores is home loan.
- Sudipto Sil:** Rs. 300 Crores, Rs. 350 Crores. So now if you recalculate that number, around 1.32% to 1.35% will come. Okay?
- Kunal Shah:** Yes. And just on the construction side, under construction. So what proportion of the overall home loan would be the customers wherein who had taken loan under construction or under-construction property?
- Sudipto Sil:** No, not clear. Can you please repeat your query?
- Kunal Shah:** Of Rs. 1,57,000 Crores of home loan book which we have, how much would be the proportion of the customers who have taken these loans for the under-construction property?
- Sudipto Sil:** In the retail side?
- Kunal Shah:** Yes, on the retail sale. Only retail side. Maybe
- Sudipto Sil:** See, retail side, we have to go by the flow figure because if you look at the balance sheet figure, whatever was under construction 2 years back would have by now got completed.



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- Kunal Shah:** Yes. No. So currently, if I have to look at it?
- Sudipto Sil:** Currently, we can only
- Siddhartha Mohanty:** Total...
- Sudipto Sil:** Total around, 40% approximately.
- Kunal Shah:** So, 40% of the under-construction?
- Sudipto Sil:** 40% of the total Rs. 2,00,000 Crores. If you remove the
- Siddhartha Mohanty:** Rs. 80,000 Crores to Rs. 90,000 Crores.
- Sudipto Sil:** Yes, Rs. 80,000 Crores. So around 40% you can take. But then that number with the caveat we have to give you because what was under construction 2 years back is probably now completed. This is a balance sheet figure. That is what I am telling you. This figure will have some inaccuracies for the purpose of your interpretation.
- Moderator:** Sir, sorry to interrupt. We would request you to join the question queue for any follow ups as we have several participants waiting for their turn. The next question is from the line of Amit Rane from Quantum Securities. Please go ahead.
- Amit Rane:** Sir, can you give your outlook on credit cost going forward? Do you feel that similar run rate may continue for 1 or 2 more quarters because stage 2 has gone up sharply?
- Sudipto Sil:** Credit cost, if you look at, there has been an increase as compared to the last year. There has been a significant increase. This year, total provisions that we have made is around Rs. 900 Crores already for the year, including Rs. 390 Crores to Rs. 400 Crores in the current quarter itself, which is a sharp rise from whatever it has been there in the earlier years, several years, especially if you look at 2019, for example, it has been around say Rs. 600 Crores. So already, there has been an increase. But however, we believe that with some remission in the builder loan default, further provision on the discount may not be so aggressive as we have seen in this current financial year. As far as the retail book is concerned, retail business I mean, the retail NPLs are generally easier to tackle as compared to the wholesale book
- Moderator:** Thank you. The next question is from the line of Adarsh Parasrampurua from Nomura Services. Please go ahead.



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Adarsh P: Sir, 2 questions. Firstly, your non-core book, right. Again, in the past, we have discussed the breakup and the color of that book. So, as it stands today, can you give some color of that book in terms of, let us say, the book is Rs. 33,000 Crores, Rs. 34,000 Crores, what is the split? You said there are retail LAP of Rs. 5,000 Crores, then the other Rs. 29,000 Crores or Rs. 30,000 Crores is what? What is the broad ticket size in these categories? If you can just give -- because the NPLs, as you said, is broadly in the range of 3% to 4%, has gone up quite a lot. So, can you just give some color of this book because this book is like built in the last 3 years. So, we have relatively less color.

Siddhartha Mohanty: Actually, if you see, current year, our individual home loan share is 80.49%, in the individual home loan share to total disbursement in the current year. And Non-housing individual loan, that constitutes 8.75%, and the Non-housing commercial disbursement constitutes 4.57% and our project constitutes 6.19%. So, this is the portfolio segmentation for the current year.

Adarsh P: Sorry, could you repeat apart from?

Siddhartha Mohanty: Yes. Our individual housing loans share to total portfolio disbursement, current year's disbursement, total portfolio individual housing loan share is 80.49%.

Adarsh P: Sir, sorry, I am just interrupting. But what I was asking is not on the flow of this year, but more on the stock, right? So, on the stock of balance sheet for this quarter end, your non-core mortgages are Rs. 33,000 Crores, Rs. 34,000 Crores of book.

Siddhartha Mohanty: If you see total book size, you want book size share?

Adarsh P: No, no, Sir. Not the share. You will give in the presentation the share. What I am trying to understand is, of the LAP book, right, which is non-core mortgages, what is the split? And can you give us some color of ticket sizes and everything, right? So, the Rs. 34,000 Crores?

Siddhartha Mohanty: Non-housing commercial is 6.65%. Of our total size, it is 6.65% and non-housing individual that also constitutes other LRD and other things also for the individual people that constitutes 9.69% of the total book size. And the project constitutes to 6.9%. This is the breakup of our total outstanding portfolio. So further what you require?

Adarsh P: Sir, just within the 2 categories of the LAP book, right, which is the non-core book, can you give us some color of what the ticket sizes are, right? Retail LRD is, what ticket size, the nominal LAP, what is the color? If you can just give some colour?



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Sudipto Sil: Broadly, broadly, we can share with you. Again, there are 2 sub segments. But overall put together, the average ticket size is around Rs. 15 lakhs, Rs. 16 lakhs in terms of the ticket size, approximately. And what else?

Adarsh P: Salaried. What percentage of this is salaried?

Sudipto Sil: Salaried is roughly around 70%. 70%, roughly.

Adarsh P: And what percentage of these customers would have been your home loan customers like in-sourcing within the people who have repaid or either given a top-up?

Sudipto Sil: It is around 30% ballpark.

Adarsh P: 20%?

Sudipto Sil: 30%.

Siddhartha Mohanty: 30%.

Adarsh P: The pace of increase in this book being 70%, 75% salaried, the pace of deterioration is very, very quick. So that is the comment. I do not know if you want to add something there, but it looks like earlier, we used to say it is mostly salaried?

Sudipto Sil: It is.

Adarsh P: Low ticket size.

Sudipto Sil: See, there are some, probably some large ticket cases here, which would have slipped into NPLs. But generally, if you look at it, the constitution of the book and the nature of the borrowers still overwhelmingly remain in the same salaried segment. There could be a few large cases, which would have been there. But if you look at the salaried segment, it is exactly 74%. As on 31st of December, 74.04% is the salaried segment.

Siddhartha Mohanty: And portfolio wise yes.

Sudipto Sil: Portfolio wise, it is like second.

Adarsh P: Sir, the second question is on resolution, right? So, you are now seeing some mortgages NPA inch up, right, or in LAP, retail LAP. So, what is the resolution framework, right?



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They become due at what point? Till what point do you support? At what point do you start repositioning? The point I am trying to ask is

Sudipto Sil: So, there is no support. There is no support or anything of that sort. The moment it becomes NPA and in fact, from the stage 2 itself, we start following up and as I told you, even in stage 2 also, we have received some payments. Those accounts are in stage 2 or stage 3, we received some payments. But irrespective, the legal action gets triggered. And the in retail segment, the resolution, the pace of resolution is better as compared to on the wholesale book.

Adarsh P: So, let us say, I become an NP and I am not responding or I am not paying my bit. With all legalities involved, what are the timelines on which you can...

Sudipto Sil: The SARFAESI gets immediately triggered within 90 days.

Adarsh P: And what was the history of once you trigger SARFAESI to completing legal, for taking and disposing off, because I would agree that the loss that you would have on these assets could be low because it is very collateralized. But the point is, that process can take quite long, right?

Sudipto Sil: The process, actually, what happens in the retail segment, the retail segment, the resolution process is slightly different as compared to the wholesale builder loan book. In retail, the invocation of the notice of SARFAESI itself triggers action because people generally try to close that matter before going to the court itself. So, the process of resolution starts from that issuance of notice itself, and we have actually increased the pace that, in fact, for the month of January, we had identified month of January as a month where we will put up maximum number of properties for auction, e-auction. So that process has already happened and a good number of properties have actually been put on auction and several of them got sold also.

Adarsh P: No. I just wanted some timeline, right? So, if your NPAs are increasing?

Siddhartha Mohanty: Individual loan, when you issue SARFAESI notice, mostly people respond. And sometimes, the experience is bad. It takes at least 2 years for any final outcome. You know litigation process is lengthy because some people are highly litigant, and they go to appellate court, they drag on. So that takes time, 1 to 2 years it takes. But for our company, we have good experience, and mostly, we have taken possession of the property, and those



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are in our custody, and we are going for auction. So at least, our principal, we have a policy we do not compromise on principal. We make it a point to recover at least principal.

Moderator: Thank you. The next question is from the line of Aakash Dattani from HDFC Securities. Please go ahead.

Aakash Dattani: My first question is, you mentioned the individual home loan NPLs for December 2019 and for September 2019. You also mentioned the number of March 2019. Could you mention the number for the quarter ended December 2018, please?

Siddhartha Mohanty: December 2018. Individual loan, December 2018.

Aakash Dattani: Yes, the home loan?

Siddhartha Mohanty: Last quarter, we have for December 2018, it was 0.93%. December 2018 was 0.93% individual.

Aakash Dattani: That is for overall individual loans, right. I am talking about.

Siddhartha Mohanty: Our total individual which also comprises individual commercial loan, individual non housing loans, all those things are there.

Aakash Dattani: Could you please provide the number for individual housing loans only?

Siddhartha Mohanty: Individual housing loan will be much less. It was be 0.76%, 0.76%, only pure individual housing loan.

Aakash Dattani: Okay. That is clear. And Sir, secondly, what percentage of your outstanding debentures would be coming up for redemption say in the next 6 months? And would you like to sort of increase your reliance on bank borrowings?

Sudipto Sil: Yes. As far as the borrowing is concerned, that borrowing, we will take a very dynamic approach depending upon wherever funds are available at a cheaper rate. So right now, we will not be able to comment whether we will go for the NCD or we will go for the banks or we will go for some other instruments or we will go overseas. So that is something that we will decide depending upon the situation. As far as the numbers that you asked for, in next 6 months time, I am taking this current quarter and next quarter put together, around Rs. 15,000 Crores to Rs. 16,000 Crores will be coming up for redemption.



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- Moderator:** Thank you. The next question is from the line of Vikram Subramanian from Spark Capital. Please go ahead.
- Vikram Subramanian:** I just have a query on the customer type segmentation. So, in the presentation, we have mentioned salaried customers are 85% and self-employed is 15% and within the non-housing individual, you mentioned in a previous answer to a previous query, it was 70% salaried. I just want to know what this salaried segment comprises of? Does it also include professionals like doctors, lawyers, et cetera? Or do doctors and lawyers, that kind of professional segment, it gets classified under self-employed according to your presentation?
- Siddhartha Mohanty:** Actually, professional, actually, percentage of professionals to total outstanding loan portfolio is 2% as of December 2019.
- Sudipto Sil:** Mostly doctors.
- Siddhartha Mohanty:** Mostly doctors, other professionals also, consultants, this advocate, all of them, 2%. They constitute 2% of the total outstanding loan portfolio.
- Vikram Subramanian:** Okay. And that 2% would be within the self-employed or the salaried?
- Sudipto Sil:** No, no. Self-employed.
- Siddhartha Mohanty:** No, self-employed is different. Self-employed are there almost 11%, 10.56%, 10.54%, something like that, self-employed, yes.
- Vikram Subramanian:** Okay. And just one additional data point there. Within the salaried segment, would you be able to give a breakup of what proportion of these salaried customers belong to the PSU and the government sector and what percentage belong to the private sector?
- Sudipto Sil:** 25% to 30% will be this PSU, PSU, government, etc.
- Vikram Subramanian:** 25%, 30% would be PSU.
- Sudipto Sil:** Yes.
- Vikram Subramanian:** 50%, 55% of your loan book customers are private sector?
- Sudipto Sil:** Yes, yes.



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- Vikram Subramanian:** Okay. Just an additional question. I am not making it redundant, but on the slippage, the Rs. 800 Crores that you mentioned, Rs. 180 Crores are from the multiple accounts?
- Sudipto Sil:** Yes. We have shared it at the beginning and several times during the call, that number.
- Vikram Subramanian:** Yes, I know, I know. So, would you be able to give us the stock number for this? As of now in the GNPA's, what is the total number that comes from this multiple top-up?
- Sudipto Sil:** That right now, we are not having. We have just shared with you the incremental.
- Vikram Subramanian:** Incremental is Rs. 180 Crores, right?
- Sudipto Sil:** Yes.
- Moderator:** Thank you. The next question is from the line of Subhradeep Mitra from UTI Mutual Fund. Please go ahead.
- Subhradeep Mitra:** So just wanted to check like what is the ALM like for the next 6 months to 1 year? And what would be the mismatch in that bucket?
- Sudipto Sil:** Yes. ALM in what sense? Can you be a little bit more specific?
- Subhradeep Mitra:** So, your inflows?
- Sudipto Sil:** See, ALM, overall, I can share with you in the 0 to 1-year bucket, this is something which is very closely being monitored. Exactly, if you look at the permissible limit as per NHBs plus I mean, minus 15%, we are around 13% as on December.
- Subhradeep Mitra:** Sir, what would be your undrawn lines of credit from bank as on date?
- Sudipto Sil:** Will be more than Rs. 10,000 Crores from the banks itself. Plus, if you add the NHB finance, then it will go more than Rs. 15,000 Crores, Rs. 16,000 Crores.
- Moderator:** Thank you. The last question is from the line of Umang Shah from HSBC Securities. Please go ahead.
- Umang Shah:** I just need 2 clarifications. One, one comment was made where it was said that Rs. 180 Crores slippage from multiple accounts is technical in nature. Should we interpret that all of these accounts are non-paying? Or some of them might be paying but are classified



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- Siddhartha Mohanty:** Out of Rs. 180 Crores, you see, we are getting Rs. 55 Crores, Rs. 56 Crores. Actually, those are being paid.
- Umang Shah:** So logically, if a borrower pays all his dues, then there could be multiple upgrades
- Siddhartha Mohanty:** Yes. That is our focus in the current quarter because we have to make those accounts standard. And already, we have started, all initiative we have taken and conducting.
- Sudipto Sil:** The reason why we have shared with that, that Rs. 180 Crores number is that, that Rs. 180 Crores is actually the ones which are up-to-date and they are servicing
- Umang Shah:** So, when the main account gets paid, automatically, the related accounts will be?
- Sudipto Sil:** Yes. There will be an update for both.
- Siddhartha Mohanty:** Yes.
- Umang Shah:** Just one data point. What would be the average duration of our non-core portfolio?
- Sudipto Sil:** Non-core portfolio average duration. See, contractually, it will be closer to 10 years, but considering some repayments, prepayments, it will be around.
- Siddhartha Mohanty:** Extensive, 6 to 7 years.
- Sudipto Sil:** 7 years.
- Siddhartha Mohanty:** Mostly repayment.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Siddhartha Mohanty:** Thank you all for being on the call and for your valuable feedback. We are confident that we will close the year on a very, very positive note, and you will definitely find extraordinary improvement in company's performance in the last quarter. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.