May 9, 2023

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

BSE Limited
Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: L&TFH

Security Code No.: 533519

Kind Attn: Head – Listing Department / Dept of Corporate Communications

Sub: Transcript of investor(s) / analyst(s) meet – Q4FY2023 financial performance and strategy update

Dear Sir / Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the investor(s) / analyst(s) meet for Q4FY2023 financial performance and strategy update held on May 02, 2023.

The above information is also available on the website of the Company i.e., www.ltfs.com/investors.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

Apurva Rathod
Company Secretary and Compliance Officer

Encl: As above

L&T Finance Holdings Ltd.

Q4 FY23 Earnings Call / Investor cum Analyst Meet Transcript

May 2, 2023

Management Personnel:

Mr. Dinanath Dubhashi (Managing Director & Chief Executive Officer)

Mr. Sachinn Joshi (Group Chief Financial Officer)

Mr. Karthik Narayanan (Head – Strategy and Investor Relations)

Moderator:

Good morning, everyone. On behalf of L&T Finance Holdings, I welcome you all to the Investor and Analyst meet for the financial year 2023. Thank you all for gracing us on this occasion. We have with us today our Managing Director and CEO – Mr. Dinanath Dubhashi and other members of our senior management team.

Before we proceed, as a standard disclaimer, no unpublished price sensitive information will be shared. Only publicly available documents will be referred to for discussions during this meet. While all efforts will be made to ensure that no UPSI is shared, in case of any inadvertent disclosure, the same would in any case form part of the recording. Further, some of the statements made during today's meet may be forward looking in nature. A note to this effect is provided in the results presentation on the website.

I would now like to invite Mr. Dinanath Dubhashi to please come on stage and provide us with a detailed perspective on our journey towards 'Lakshya 26' and the way forward towards creating a Sustainable Retail Fintech@scale. Over to you, sir.

Dinanath Dubhashi:

Thank you, Charmi. Good morning, everybody. Hope all of you had a good breakfast and in a good mood to listen to this presentation. I am very happy to stand in front of you one more year after we presented the Lakshya plan, last year. I hope many of you were present at that time. It was a meet that we had after a long time, after a long COVID period and we set a few guidelines for us, a route for us for the Lakshya plan in the quest to make us a leading retail NBFC which is totally digitally enabled.

Last 1 year has been very, very good for us, not just because of the results. It is because the way we executed the plan, the way we worked on almost every aspect of the plan and progressed on that. So, what my endeavor will be today is not only to showcase what we have done, I think that we have done in the presentation. All of you would have gone through the presentation, we had a 3-day gap in between. So, I am not going to talk more about that.

But more importantly, to try and talk to you about how this is sustainable, how we will continue on this path that we have set in this 1 year, how we will continue on the path that we have set for 'Lakshya 26' as we go ahead. I mean, obviously I won't tell you how results will look but will at least give you enough material to have confidence to draw up the results line and see how various financial parameters, business parameters will look. Most importantly, we'll try and convince you that the success we have had during 2022-23, we will continue on that route, continue that success not only in the next year but the year after that and so on and so forth.

Let me just start. So, this is what we spoke about. Each word of this slide is important and I will explain as we go ahead. It is important that we are now a Retail company. As you would have seen, at the beginning of the year, we were 51% Retail, we are already 75%. I will talk about the speed that we are gathering as we go ahead. Digital, that also I will talk viz. what all we now do digitally, which is actually almost everything.

And last but not the least, sustainable. Sustainability has to be looked in 2 ways. One is how our ESG is working to make the world sustainable and our ratings as well as awards show that. But importantly how this journey is sustainable. We would like to convince you that it is not just 1 year performance, but you can actually look at this performance repeating as we go ahead.

We talked about digitally-enabled and the product focus to customer focus. Now this is very important, it is not just words. Again, as we talk, I will explain the presentation. I will talk to you about the strategic importance of going from product focus to customer focus. So, we were a tractor finance company or we were a micro loans company or we were a two-wheeler company. From that, how are we becoming a Retail finance company is what we would like to talk about.

So, just to refresh your memories, just 1 slide from the presentation 1 year back. These were the targets that we had set for ourselves. Basic 4 targets:

- Retailisation: > 80% would be Retail

  As you would know, we started last year with 50:50. So, we set a very aggressive target that we will become more than 80% Retail in the next 4 years. We not only wanted to achieve this Retailisation just by reducing wholesale, but also growing Retail in a way as to generate value

- And the way Retail finance was growing, we set a target of a CAGR of 25% over the next 4 years at that time, 2022 to 2026 for ourselves.
- Asset quality, the important number here is net stage 3 of less than 1% is what we aimed for, retail asset quality.
- And last but not the least, after all this to deliver a ROA of 3%

Let me now just take you through the results that we've achieved in just 1 year. This is slide from the presentation, actually all the slides are from the presentation, you would have seen them.

- As I said, **Retalisation**, instead of 51%, which was 51%, we have actually already achieved more than 70%. And hence the goal of 80% looks very much in near term and in fact, we are already revising that target upwards, I will talk about it as we go ahead.
- Instead of 25% **growth**, we grew by 35%. I always call it the Virat Kohli model, not the M.S. Dhoni model. I don't like to take it deep. It is better to achieve good growth when the going is good and also create the right environment, the right tools, the right products, right digital infrastructure, physical infrastructure to see that this kind of growth continues as we go ahead.
- **Net Stage 3**, great story. We are already at 0.71%. Not only has the Gross Stage 3 reduced, but the Net Stage 3, we have actually already overcome that 1% mark. And at 0.71%, within companies which are at least 50% rural out of total retail, you know the industry better than me, that's very clearly a benchmark.
- And last but not the least, the **ROAs** have reached 2.46% for the whole year and especially for Q4FY23, we were within the touching distance of 3%.

I think we are pretty satisfied with the results that we have been able to deliver and there is something that we say internally in the company when we say that 'okay, we will celebrate what we have achieved', immediately the question should be 'what next?' And that's what we will talk about today; that within the general direction of Lakshya, where we are going, how we have created the right kind of infrastructure to grow in the future.

Now, let us talk about each of these items a little bit in detail.

We talked about the book mix. This slide is very important. It absolutely shows how things augur well in the future. On the left side of the slide, we said from 51%, Retail has become 75%. And how this shows the possible future of the company which you have to analyze, you have to put in your models, that with this move, the profit has moved to 85% profit coming from Retail. What does it obviously mean is even with the provision coverages (PCR) that we have, as you know, our Retail provision coverages are very, very high at 80%, this is the kind of profits that Retail delivers. It is very important that when you compare across the industry, we also see provision coverages. And with 80% provision coverage, we are delivering 85% of the total profit which at Rs. 501 Cr and Rs. 1,623 Cr is already moving in the right direction. 85% of that is contributed by Retail and hence, we are quite sure that as Retail percentage keeps going from 75% upwards, profit growth will be better than that. That's the whole idea of showing this slide.

Retail Disbursements:

Now let us talk about the growth and how we have achieved this growth. So, total Retail disbursements, just disbursements moved from ~Rs. 25,000 Cr to ~Rs. 42,000 Cr, which is a 70% growth. And more importantly, it is contributed quite well across business lines and across products. As you know, we have 4 business lines - Farmer Finance, Rural Business Finance, Urban Finance and SME. And the numbers there on the screen, I am not going to repeat them, shows that the growth has been achieved quite well across businesses, right? And I have listed the strengths that we have under each of the businesses. This is again nothing new, but sometimes it is important to put it there to feel confident that this is not a one-time performance, that these are the strengths based on which we can continue to grow.

Well, the only thing I would like to talk about here is Rural Business Finance, this 70% growth has to be taken in perspective that the first quarter of FY22 (last year) was almost 0 disbursement, right? So, FY22, we did some disbursements but were largely 9 months. So, just to remind you, point that out, that we were still within COVID, that was the COVID second wave, FY22. Will we grow by 70% next year, disbursements? Definitely not. But it will be a strong growth nonetheless as we go ahead.

The important thing here is in every business there are particular milestones that we achieved.

Tractors, we achieved a disbursement of 1 lakh new tractors for the first time. It is really particularly satisfying for me who came here in the very early days in L&T Finance, came to the country in the early days of starting tractor finance and I remember in the first year, we had done 2,000 tractors in the whole year and within 15 years, we have touched a mark of 1 lakh tractors, it is particularly satisfying for me personally.
Rural Business Finance, I think this ~Rs. 1,500 Cr, within March, we did actually ~Rs. 1,600 Cr. But more important and more satisfying number is 30 lakh new customers were added within 1 year and that shows the capability, the capacity to add new customers as well as do business with existing customers as we go ahead.
Various milestones in Urban Finance. The big milestone I would say is Consumer Loans, a product which is just 2-year-old is really, really catching speed now and we have crossed some real good milestones in this disbursement.
And last but not least, SME, that growth is extraordinary, but obviously because last year, we were still in the pilot phase. So, practically, FY23 was our first year of doing SME disbursements and we have done decently well.

Retail Book:
The book growth largely reflects this. We would also see that mathematics will work. All of you work your excel sheets and till last year, till FY23, the book growth was lower than the disbursement growth because of the previous years. The previous years where the disbursements were very low because of COVID, this year the book growth of even 35% is lower than disbursement growth naturally. Your models itself will show that even for a 2-year or a 3-year product, we are now getting into the good phase of growth where because of current book being high, the book growth will now catch up very fast with disbursement growth. So, I mean there's nothing for me to tell you, all of you know your models and that's how we see that the growth will actually be excellent going ahead, no new points here, but again particularly satisfying book growths have happened which have been a very important part of this Retailisation journey.

Wholesale Book:
Now I am going to come to a slide which we believe was a surprise to the market, is the way we reduced our Wholesale Finance book.
So, somewhere in the beginning of Lakshya, we said okay, we are going to become a Retail company. We are looking at transactions, we are looking at selling our Wholesale Finance book, both Infrastructure Finance as well as Real Estate Finance. I have said it during calls, but I will repeat it once again. But this is the important slide that we started with the idea that we will be able to do transactions where we will be able to sell the Real Estate Finance as well as the Infrastructure Finance platform. We had different kind of issues. Real Estate, there was a structure, a particular private equity had thought of and we didn't get regulatory permission for that structure, one. Infrastructure Finance, the issue was that of perhaps the issue of plenty, that we hired our investment banker, we did the transaction, we got a bite actually, complete due diligence was done and then we realized that a private equity player who is wanting to buy a $4 billion-$4.5 billion book could easily cut a $1 billion cheque for equity, that was not a problem. But raising $3 billion-$3.5 billion debt was next to impossible for that person from the Indian market and they wanted our guarantee. And obviously, that served no purpose. If we give guarantee for the debt, then the purpose of selling the book doesn't do.
So, we did 2 things. We decided that we are now going to sell rapidly, even asset by asset. It's okay if you don't get too much value, we will sell because the Lakshya objective was important, one. Second, now that we are saying that we will sell asset by asset, there is a chance that the person or persons who are buying it may ask for some discounts or because of interest rates going up, we may have to give any discounts. And that is why when we sold Mutual Fund, the entire profit coming from that we kept aside to enable us to give the team the confidence that we can sell down rapidly. And I am happy to see the result and the result is there. Our Wholesale Finance book has reduced totally to less than Rs. 20,000 Cr. Even we had not expected in the middle of the year that we will be at less than Rs. 20,000 Cr. Even we had not expected that Retailisation will be at 75%.
And now I can confidently tell you that the way we have planned, the way we are seeing visibility of sell down, by 2024, we will reduce the Wholesale Finance book to such a small number that all Retail ratios, Retail profitability will slowly start converging with the overall profitability.

To give a specific number, we are very confident of taking Retailisation to more than 90% by FY24 itself. And clearly, if I'm saying it from the stage, it is very clearly something that we are very confident of, reaching a 90% Retailisation in 1 year. So, that is one target that we are sure to achieve and overachieve 2 years before i.e. Retailisation.

Okay. On this, there were a couple of more questions coming, and I will handle some of those questions on those slides. There was a question about some Rs. 84 Cr entry in our results. So, we have given a number, and then there is Rs. 84 Cr, which is added back. Just to clarify, some of you had asked this question, right? So, just to clarify, we have a small AIF, very small, the book is just about Rs. 200 Cr, it doesn't matter. But when we did mark-to-market, we wrote down some investment in that AIF. That AIF, we own 55%, other investors own 45%. That Rs. 84 Cr is added back because it is the share of those other investors, Rs. 45 Cr. In the original results, an entire 100% hit is taken and then 45% hit is added back to that, obviously. So, just a number. So, the Rs 501 Cr number that you see is the net number to us, final profit, okay? And Rs 1,623 Cr is the final profit to us. These are standards of Ind AS that we have to follow. I believe I have explained it correctly. If you have not understood that is largely because I also don't understand Ind AS. So, my CFO will be on stage after some time, and he can be more accurate, okay? But what I understand that out of total loss, whatever was for 'others' was Rs. 84 Cr, that was added back. Which means that, that AIF now is just about Rs. 200 Cr, completely marked down to market. We are confident of doing those deals and closing it. So, one more of those old problems over this year. One by one cleanup is happening. That was 1 question.

The second question was interesting. How much of the provision we have used, okay? So, again, just to explain the way I understand, it was not like we created that ~Rs. 2,700 Cr of provision from which we keep using. We actually valued assets, all the assets and wrote those assets down by that much amount, okay? So, as we sell the remaining, we will sell something above that, so that will get revised. Then the remaining assets will keep getting revalued. So, plus/minus, plus/minus, will keep happening. And during the next year, it will be completely confusing to do that. The most important thing is management assuring you that we believe after every month taking a review that there is not any substantial shock of any type or any provision coming into the Wholesale line from now. Whatever Wholesale provisions, a little bit you will see, that is another Ind AS standard that you have to recognize income on GS3 and then derecognize it again. So, no real provisions happening. It is only that interest income.

So, that's what we have done. Actually, if you add back ~Rs. 4,900 Cr disbursements that we have done in Wholesale Finance for 2 reasons. One is we are a going concern. There are commitments given to Wholesale, which we have to keep and as I said, for the first 7 months, we were trying to keep up the platform and sell as a platform. So, obviously, we were doing disbursements. If you actually add back the Rs. 4,900 Cr disbursements we did, we have sold ~Rs. 28,000 Cr of Wholesale assets this year. And even with half that speed you see that, that 90% number is very easily possible, right? And that's what we are confident of. With your permission, I'll go ahead.

These are the 3 big strategic things that we wanted to do. I spoke about 2 already. Now I will speak about the third one and it is of great strategic importance, which is the merger, okay? Once again, reminding you when we started this journey in 2016, you remember this – 'Right Products, Right People, Right Structure'. And we said that ultimately, we are moving to create 'one company'. And I'm happy that finally during FY24, that will be possible. Why did it take so much time? I think the first merger that we did was of all the ICCs, all the loan companies, we finished doing the merger. Then there was the Infrastructure Finance company, there was a Housing Finance company, which, obviously, you will understand had structural regulatory advantages of their own. But we were very clear that we wanted simplicity and transparency more than anything else, right? Especially when you had a large wholesale book, lots of questions about in which company it is parked, what it is, et cetera. The best way to end all those questions was to have 1 balance sheet.

And hence, we merged the Infrastructure Finance Company and the HFC 3 years ago. Then only 2 were remaining. What was IDF that time, which is now ICL and L&T Finance. And you would ask why we did not sell it. The reason was very simple. We had a Mutual Fund and RBI was not giving permission to any operating NBFC to have a Mutual Fund. And hence, we had to wait until the Mutual Fund was sold. The moment the Mutual Fund was sold, we applied for this merger. The stage is this - RBI, we have got final approval. SEBI always gives in-

principle approval, we have got that. Stock exchanges, we have got our approval. And we have finally filed, we have to file in 2 courts, Mumbai NCLT is filed already, Kolkata NCLT will be filed as we speak today, tomorrow, sometime. And we are pretty confident that with this, we should be done definitely during FY24, hopefully, around Q3.

Why is this important? Important for many reasons. One is synergies, et cetera, that is there. But Capital management. Today, one of the reasons that the leverage is low, one of the reasons, other than, of course, we have a lot of equity, is that within that ICL (Infra Credit Limited) company, the leverage is even lower, and we can't touch it. And can't touch that capital unless it is merged, right? Also, liquidity ratios. Now LCRs have to be maintained in every company at every bucket, unnecessary liquidity will have to be kept in every company. A merger will take away that requirement, right? You would also be interested to know that we prepaid all the preference shares, et cetera, we had in L&T Finance Holdings. Now L&T Finance Holdings is genuinely a zero-debt company, which actually makes a lot of things easier in this merger. Last but not least, dividend policy. And this is very important, okay? During COVID, the regulator came up with a guideline saying that any NBFC can declare at most 50% of its profit as dividend.

So, now imagine L&T Finance can declare 50% of its profit as a dividend to L&T Finance Holdings (LTFH). And LTFH can declare a maximum of 60% of its profit after paying its expenses, okay, which is salaries of few of us, not much. That leaves very little for a dividend, right? Also, we made a big profit by the sale of Mutual Fund. But the same guideline says that anything which will be considered extraordinary cannot be used for declaring dividend. So, we have actually applied to the regulator saying that sale and purchase of Mutual Fund or any other asset is not extraordinary for a CIC. It is a business of an investment company. And hence, permit us, let us see what happens. But even if that doesn't happen, from next year onwards, it will be one NBFC. And according to the guidelines, you can do 50% dividend payout ratio, which will take away all the constraints that are there from capital management and will free the Board's hands to actually manage capital in the most efficient way, depending on growth, depending on risk, safety and most importantly, keeping in mind the interest of shareholders. So, all these things will be possible once the merger is done. And that is the importance of the merger. It is not just one structure coming together. That's what I wanted to explain.

Asset quality:

You have seen this continuously improving asset quality. I mean there is not much to talk other than the fact that Rs 1,171 Cr we still maintain as standard asset overlays on top of all these provisions. So, for a balance sheet, as big as ours ~Rs. 61,000 Cr of Retail assets, we have Rs. 421 Cr of Net Stage 3, okay? And that, I think, is really for a company which is 50% rural in Retail, it's really a benchmark.

More importantly, we have to see how we achieved it. So, it is easily possible to achieve it by trying and rolling back what moves to 90 days or something which is Stage-2. And that is why this graph is important. This we have been showing now for a few quarters. Product after product, continuous improvement in regular collection efficiency. This is zero bucket collection efficiency. And the whole idea here is to use analytics, use propensity to pay metrices to make sure that the minimum slips at this level. Because very frankly, when it moves from this level, we can still collect but it involves expenses, right? Collections that happen at this level is at 0 or very low expense, very clearly.

After that, we have to spend money to collect. The graphs are in front of you. I don't want to talk in detail. Product after product we are maintaining absolutely good and improving collection efficiency. And the slide which follows, this is something many of you had asked for the last year, and we will now start showing. There are some people who ask me why not show Wholesale. The reason is obvious, we are selling Wholesale. We are rapidly selling Wholesale; ratios don't make sense. I mean, we don't know, you don't know which asset we will sell, whether it will be a Stage-1 or Stage-2, we hardly have any Stage-3 assets anyway in Wholesale.

But the more important part will be to see over the next 2 quarters how Wholesale overall book is reduced and that we are committing that we will reduce rapidly. You will see here across Stage-1 and Stage-2 and Stage-3, continuous improvement and very strong PCR, okay? And this now we will show quarter-on-quarter. Every quarter, we will show the previous quarter and the last year same quarter for you to judge how we are moving.

And with that, now we come to the last part. I have been guiding always how we will achieve this 3% ROA, okay? This is how the FY23 ROA tree looks. More importantly, look at the Q4 ROA tree, okay, with 11.87% 'NIMs+Fees'.

I know that I have been telling that 11.4%, 11.5% is difficult to maintain, and it has only increased after that. But 11.87% is not sustainable. It is not sustainable. Very clearly, as Urban products catch up more, this is going to reduce surely. Also, interest costs are going to increase by another 30-40ps. As you know, as repo rates increased by 250 bps, our overall costs have increased by just about 70 bps. As ALM is managed, banks pass on some of the increases, we believe that over the next couple of quarters, our cost of funds will go up by 30-40 bps. Both these things will moderate this 11.87%. I'm not saying it will suddenly come to 11% or anything like that, but it will moderate. The important part is that the way credit cost plus opex, we are managing. You will see some small increase in opex that some onetime amnesty schemes, et cetera, being used and also some investment in IT. But we are confident that this 4.41% plus 3.59% will start moderating to 7%, very soon, during FY24 itself, right? And that will get us quite comfortably to this 3% ROA.

A lot of people ask me – 'should I do this 3% ROA target revision upwards?' Let's see. Let's hope that we give a few quarters of more than 3%, and then we can do it.

So, this is just the summary of what I have said until now and which completes the journey of FY23. Rest of the slides, I will actually talk about why we think that our Retail journey is sustainable. Why we think that we are putting all the right elements to succeed. A lot of people ask me - Retail everybody is doing, digital everybody is doing, everybody is talking the same language. Why will you be successful?

One of the reasons is we were one of the first ones to talk this language. And hopefully, we will convince that we are doing a lot also. That's not to say that the other people are not doing. But the most important thing here is the way the market is developing. And I will talk about that, and I will actually put my strategy, juxtapose my strategy with the changes happening in the market character which will hopefully convince you that the way we have set out on this journey is one of the ways which can lead a company to success, okay?

So, this is a slide. All of you are very well aware of what's happening in the market. I have put it only to put what I'm going to say in perspective. I personally have been in the retail market from 2007-2008. And I have seen the market changing drastically. If you take time till 2015, yes, some of you around are of my age, you will know, many of you are much younger. These were the big bad days, where NBFCs were supposed to do business, which are rejects of banks, right? Also, there was hardly any credit information available about the customer There were no bureaus to speak of. I remember when I joined L&T Finance, there was a discussion happening whether we should give information to the bureau because competitors will use that information. This kind of misinformation was there. Even within company management, in my own company management, even, I'm not pointing fingers at anybody. From there a time today where this information not only is reliable but completely democratized. The industry had to change along with us. So, till 2015 was a time of very asset-based specialization. The reason was very simple that the customer information was simply not available. So, companies specialized in a tractor or companies specialized in home finance, companies specialized in car finance, company specialized in CV finance. There is a company specialized in second hand CV finance, gold finance. Now it will ring the bell, right? That customer information was just not there unless it is your own customer. Even if it is your own customer, where was the database, analytics to actually use it, right?

I mean, very frankly, 6 years back, if my own tractor customer would have walked into a 2-wheeler dealership and taken a 2-wheeler, I wouldn't know it's the same customer. No chance. I will take the Aadhaar card photocopies, and file it. By luck, if the credit bureau would have told me next month that it is matching, then I would know from the credit bureau that it is the same customer, okay? And this is not only, I am laughing at myself, but this is what the industry was. Anything else, anybody tells you, don't believe it till about 2015. That is the way it was.

Then came a time when bureaus started coming of age and customer information now started being available, not only whether how much loan he has or whether she is or he is on time or not, but things like credit scores, things like line-wise information available, much more thicker files started getting available. Microfinance bureaus came in to being. And a time came where for a microfinance customer, the hits were higher than urban customers with Highmark coming into being. And life changed. From there now moving to a place where something like even microfinance, RBI feels confident to say you have to do FOIR-based lending. FOIR is fixed obligation to income ratio. Imagine microfinance, RBI became confident to say everybody will have to calculate FOIR. This industry has moved from - your field officers form a group, you lend and then you pray. This was the situation 10 years back. From there it moved - we form a group, but every person of that group, I will know how much she has borrowed from how many people and what is her credit record. From there, we have moved to not only this, what

is her income, what is her family income, what is her family indebtedness? The market has moved and market has moved drastically. Information has moved. And that's where digital, data analytics are not just key words, they are the only way of doing business.

I remember the first time I borrowed a car loan. It was from my roadside corner bank called Saraswat Bank. I'm a Goud Saraswat Brahmin, normally, you will go to Saraswat Bank. It took me 10 days to sanction a car loan and every day I had to find out which table the file has moved. And when I say file, it was actually a file, really file looking like a file, right? This was 1996-1997, something like that. And from there, now actually on a thumbprint, you can give a car loan. When all these processes are done, it’s not like that we don’t do any process, every process is done, but it is done electronically real time. And that's the way things have moved. And based on that, now strategies have to move.

Assuming that generally people have no big objections to what I said until now, I will go ahead. This is the first strategy change that we did. After 1 year, I'm feeling confident enough now to explain the thinking behind the strategy and why we believe that this strategy is sustainable. That while we were good in some products, we said now with the kind of information that is available with the bureaus, with the granular environmental information available and last but not the least, the 2 Cr+ borrower information that we have and actually 2 Cr+ family information that we have, now we should do more than just selling products. And we divided ourselves, 1 year back, we had a tractor finance, two-wheeler finance, these kind of product lines, which we used to call business lines. Now we have divided ourselves into real business lines or clientele.

We have 2 rural business lines. One is rural individuals, which is Farmers and rural businesses, which is Rural Business Finance. Micro loans is part of that. On the urban side, urban individuals, where we have 3 products at this point of time - Home Loans / LAP, Consumer Loans and Two-wheelers. And urban small businesses, which is SME.

The whole idea here now is there is 1 strong chief executive reporting to me directly working on these customers and not working on a particular product and being able to find the right product for these customers. There are a lot of people who ask me that shall we do this product or that product. The whole idea is as long as those products make sense for my customers, their ecosystem, their families, and they are profitable to me, I will do that. Otherwise, I will not do it, it's as simple as that. Any new product also.

So, this is the way the organization responded. And we said, okay, there are going to be 3 major parts of our strategy. One, how to improve and continuously gain market share in our existing products, how to make them our fortresses. And then how do we deepen customer engagement more and more using these products and using more products for those customers. And last but not the least, how do we make this sustainable by making sure that risk is managed properly.

Now risk, as we understand, the main risk is credit risk. All of a sudden, you are moving where the human being in most of the products, some products that is still there, the human being is not doing the underwriting. A machine is doing underwriting. And as good as the machine is, as good as the programming is, they will do mistakes. And as we do mistakes, what are the early warning signals that we take, and what is the capacity of the engine to take feedback and improve almost in real time. We have not come to real time, but very quickly. How do we improve is going to be the strategy as we go ahead.

So, clearly, as I said, the state-of-the-art technology and deep analytics - becoming Fintech@Scale. And Fintech@Scale also has a meaning, okay. As I said, there are lots of fintech, there are very, very few companies, which have scaled. I mean even less than fingers on a hand. And we believe we are one of them who is using technology so strong with Rs. 61,000 Cr Retail balance sheet, which within a couple of years may become Rs. 1,00,000 Cr. So, that's the scale that we are using fintech for.

How does that translate to product strategy? And also, people ask, this 25% CAGR how will you maintain? And this is very important because our 3 main lines of business will they always grow by 24%-25%? We don't know. Tractors, two-wheelers; two-wheelers, still has to come to pre-COVID levels, Micro Loans. I believe that over the next 4 to 5 years, these businesses are going to do tremendously well. I'm not going to get into that discourse right now. There can be seasonal 1 year it will be down, then it will come up, whatever, but the general trend is good. And we being one of the top 5 in every business - Tractors No. 1, the other two businesses – No. 4, we will do well enough to gain a small market share every year, and that's our confidence as we go ahead. Will that be

25%? Probably not disbursement growth, book growth may happen but probably not. We will be industry growth plus / minus 0.5%-1%, naturally, these are mature products.
But today, we are in a position where because of changing the strategy on time, there are other products in the armory which are growing faster. Consumer Loans and SME, new products growing faster. Home Loans, we are on a new breadth of fresh air. We have not been doing great over the last few years. A new team has come, new engines have come. Sanjay joined us from Kotak. He was the mortgages head there, and this business is really taking off now. And these are going to be our growth products.
And then last but not least, products, which are still not there. Which is Rural LAP, we have all the know-how to do it. Which is Rural Business Loans for families. Which is Agri-allied loans. Where today we are not there. We are about to launch with our existing customers and their ecosystems and something which will grow from 0 to something. So, there are 3 categories of products with different growth rates. The products on top left, contributing more to profit and these other 2 products ranges in contributing to growth. We believe we are in a good phase of profitable growth right now.
This is largely a show of strength - the 3 major products. There are times I keep hearing that there is growth now, later will there be growth. After that whether asset quality will be there or not. That is why I will just leave this slide there for you, both in book and disbursements. We have been in these products for 10 years and more, I've shown you the growth over 10 years, maintaining profitability, maintaining market share and most importantly, maintaining asset quality. This is the track record of L&T Finance in these 3 products. Hopefully, it should give you the confidence that we will continue to do well. More importantly, just look at the customer base that we have acquired. Yes, surely, there is maybe 1 or 2 companies, probably 1, which has a higher customer base than us. No doubt, but that's life. That's where you start and in any case there is a lot of difference between the valuation. So, it's okay, right?
So, we can always grow, catch up. But more importantly, a large part of this database is rural, and that's where we are strong. No one even comes close. And that's where the profits in a financiers' wallet lies in rural. There is no doubt about it. More new to credit is rural. And that's where growth opportunity, opportunity of increasing penetration lies in rural.
I will take one more topic here. There is a lot of news about a fantastic company entering into Micro Loans, right? And some people ask me, is it going to disturb you in Micro Loans? Let me explain something ~50% of my Micro Loans customers are having only L&T Finance as lender. That means they are new to credit, ~50%. Do you really think that 50% of rural lady borrowers are really new to credit, that they have 0 borrowing? What it means is that they have been borrowing from the unorganized sector. So, I have either replaced or added to unorganized sector borrowing. And the problem is that there is no way to know whether I have replaced or added to because that data is not there in the bureaus. And more good professional competition coming is good not only for the sector, it is not one good to say sentence that 'something good will happen to the sector' but 'something good will happen to me also.' As more of the customers get into organized lending, the asset quality for both me and the competitor coming will get better. It is good for both of us.
This is a stage today in Microfinance where good quality competition is welcome because we will work together to take out the unorganized sector, which is the need for the country, need of those people. And we are a profit-making company, it is definitely good for our asset quality, which can improve even further from where it is with more reliable information now available about those customers.
Now this is what I've talked about already. I think I'm going ahead of slides and talking. This is now the cross-selling and upselling strategy. So, each of this, i.e. rural business, rural individuals, urban individuals, I have not covered urban businesses here. We are too new there. The hook product is Rural JLG loans, Tractor loans and Two-wheeler loans and Home loans. They are the hook products. We have started using them already to do up-sell, cross-sell. I think 1 statistic I can give across products, if I take an average, 1 out of every 3 loans that I give is to an existing customer, okay? And I think this is a very strong number. We are at a great position where we are acquiring new customers and at the same time now starting to sell more and more to existing customers. We are already at 4.0 products per customer out of which approximately just 1.4 is loan products and about 2.6 are protection products and insurance products. As we go ahead, this 1.4 even if it starts touching 1.6, 1.7, the potential is huge.

There is another development I would like to talk about. In Q1, hopefully, 99%, we will get our corporate agency license and we can move beyond using our cross-selling strength to sell insurance, not only now to our customers but to non-customers also. And that's another upside for income as we go ahead. Today, we are restricted to sell it to our customers because we are not a corporate agency. Now we can start selling to non-customers also.
And now juxtapose that with the distribution strategy that we have. Now this is very interesting. How fintech is used? So, the first level of distribution, you can start from the bottom left is obviously your dealer network, your branches, your DSAs, your aggregators, et cetera. The second stage, and we have been through all these stages, is using data analytics to choose them, to be selective about them. Let me address another question. If El-Nino comes, what will happen? So, first of all, my economist will tell you it is too early to talk about that. Monsoon, we will know maybe in a month or so, exactly how it is coming. But more importantly, data available shows that reservoir levels are very strong. Market rates for commodities, the other side of inflation is that farmers are getting good money. And then something that I always say, I don't want to sound like a party political, but I always say that direct benefit transfer, the 'JAM Trinity' has genuinely changed welfare in rural India over these many years.

With this, now the monsoon will still affect, but the effect is less. But that's not the point. The point is the availability of granular data on the ground. Now you can move away from saying if monsoon is not good, then tractor will become bad. If monsoon is good, then tractor will be good. Now we can say this almost pin code by pin code, which pin code, which HP of tractors is likely to do well. And based on that, select dealerships. And juxtapose it with that dealership's portfolio performance, that area's portfolio performance even off us because that data you get from credit bureau. And then choose.
So, the second stage is actually moving from carpet bombing to daylight precision bombing. So, if we have to take a 16% market share in tractors, first of all, we don't aim for a market share. But, when we used to aim for a market share, what did it mean? That so much tractors are sold, I have to do 16% of the total, right? Now it doesn't work like that. Now the way it works is, I have chosen so many dealers to work with. Out of which, so many are my concentrated dealers. I will go for a 50%-60% counter share there. I will have all schemes with him. I will give better LTVs to him. I will give better interest rates. I will put my people at the dealership. I will invest totally in that dealership, because of his asset quality and the probability of his sales being good. And his counter share with me will be 50%-60%, which will now work to that 16%-17% market share. So, resource allocation becomes very important here, and data analytics helps us.
Then we move to assisted apps and centralized underwriting. That is, my people started going with their mobiles and booking everything paperless. We have finished that journey also.
And now we have come to the last leg of D2C apps. Now the important part to note is none of this is replacing each other. This is only an additive. Each one adds another channel. So, we have our branch and dealer network, then we put analytics to choose the main ones, the important ones in this, then we put assisted apps and then the D2C app. This is the distribution strategy.
Now juxtapose the organization structure, the product strategy and the cross-selling strategy. This is how everything comes together.
So, let's talk about each one of them. I'm just going to show the slides. These are good numbers. The whole idea is to show you. This is not to show off but to show that we have strengths on the ground where we believe that things can be replicated. This growth can be replicated.
So, this is the first stage, you remember? Just the structure, just the network. Add to this, is this kind of branch network. On your left is our urban network, on the right is the rural network. You will see why we call ourselves a rural company but now growing in urban. Total physical points… so, just by saying digital, we are not letting go of the physical network, almost 1,860 physical presence and that's how it looks.
And then we come to the use of data and data analytics to use this network more efficiently. And that's what I talked about. The dealers that we choose, we give them the industry best TAT proposition, completely algorithmic approach, trade advance, and clearly a dealer portal so that the dealer…. like all of you have an app, the dealer will have an app or portal where he gets all his information; where his case is, everything; straightaway online. I am going to just leave this slide. I am not going to talk much. Very clearly it shows our strengths.
And for all this, naturally what the dealer gives us is good sales volume, a portfolio which performs better than others, counter share, and of course adds to our distribution network. Very clearly, this is the output. Very simple,

but I will just explain. Any of you who have gone to rural or semi-urban areas, you will see one big difference over urban, over Mumbai. I have not yet been able to figure out exactly why but you will see that all tractor dealers will be on one road or all two-wheeler dealers will be on one road one after the other. What does it mean? That when a customer enters a Honda showroom, if the sale is not closed then and there, he will go to a Hero showroom or to a TVS showroom and most probably the Honda dealer will lose that sale forever. Because you don't have to travel, you have to just walk next door.

So, what does that dealer want? Of course, dealer payouts, etc., are there. But what he wants more is the sale to be closed then and there. What does it mean? First of all, there are 6-7 financiers there. If I am the financier of his preference and why do I become financier of preference is because I say yes immediately even before the test ride is over. Even more importantly I say no even faster than that. I can say no to a case as soon as it is entered in the mobile. It will say no. Why is that important? Because the dealer now can immediately give the file to another financier who is sitting next to him and close the sale. This is very-very important in rural and semi-urban India. That is the importance of turnaround time. It is not just showing off that my turnaround time is better than anyone else. This is the importance of turnaround time.

A lot of people ask me how, why people borrow at this interest rate, etc. Very frankly, at Rs 2,000 to Rs 2,500 EMI, 1% interest rate is Rs. 10 or Rs. 12. It is not much more. It doesn't matter. One thing today that a financial customer wants is less hassle, saving of time, and availability of money when they want it. Very simple. I will ask you, anyone of you, if given a choice of 1% cheaper rate but you have to go to the bank 10 times to sign documents or 1% costlier and you will get everything on an app, 99% you will choose the costlier one, perhaps except for home loans which is a 30-year loan and that's why 1% will make a difference. That also, mostly, you will take the costlier one and after 6 months you will do a Balance Transfer. That is because the regulator has said no prepayment penalty. But 100% of times, you will look at the interest rate later. There are times when we have regretted going for the cheapest loan when you have to sign at 49 places. Even just signing, right? A paper document coming in front of you, even 49 signatures one time is painful. And when technology is available to make that as an e-sign, why would you do that? And that's what is important. Taking it beyond narratives that rural person does not use digital. It's the narrative which is almost laughable. My every microfinance customer signs on the mobile; physically signs on the mobile of my guy. What will be the problem? That a microfinance customer may not have a smartphone. 70% of the people may have feature phones. Okay, no problem. But my person goes with a smartphone, right? So, where there is a will, there is a way. And you can always make sure that that works.

I went a little bit away from the topic, a little bit passionate about it, but what it means is as long as you are competent, you are not out of the market. If the market is paying the dealer 1% commission, you say that I will not pay anything, then there will be a problem, but you need not pay 1.25% every time. You can be even little bit less than the market and the dealer will give you the business because his main income comes from selling tractors or two-wheelers. And if you help him to sell more tractors and two-wheelers, he will give business. And more importantly resource allocation. This is also important. When there are so many dealers, where do I put my people? If I put my people in every dealer, my cost will run up. If I don't put it, he will not give me business. So, what to do? And this again, analytics tells you where to put resources, how many resources. Resource allocation, again, one big addition from analytics.

Then we come to assisted apps. This has been the biggest journey of the last 2 years. That each one of our major products now uses no paper. All documentation, everything, KYC, selfie, liveliness check – whether the photo is taken actually or taken the photo of a photo, multi bureau check, machine learning scorecards, income assessment, and most importantly e-agreement and e-signing is all done by app now. And obviously, it gives a superlative customer experience.

And then last but not the least, PLANET app. And this is just the beginning of PLANET app. We are just 13 months old in PLANET app and it has been absolutely a runaway success. Lots of servicing happens there. 42% of our total servicing happens through PLANET app and 71% now through digital channels and more is coming. More and more D2C journeys are coming. We also made actually a two-wheeler D2C journey available on PLANET app. It is frankly not used much. You can actually buy a two-wheeler and get it financed without seeing the dealer even once. That's the journey available; test ride at home, delivery at home – all done. We will have to make it more popular. Plus Indians like to visit dealerships even now. But slowly it will change; and we are moving there.

The success numbers of PLANET app are here. This was not there on 31st of March – as we speak, we have completed 3 million downloads. In January, we completed 2 million. In just 3-1/2 months, we have completed 3 million downloads. Now even rural is picking up. These downloads are still just about 2.8 lakhs but it is picking up. Just 3 months back, it was 1 lakh, rural, and it's picking up now. Very important is that funnel of service and this is something we are now investing in, in reducing future costs. That within 1 year, we have moved from 55% service handled at branches to 11% and 23% call center to 15%. Both the quality of service and the cost of service is going to transform drastically. And this is another building block of what we are trying to build.

Then, you remember the third thing which was risk, and now risk has to be looked very differently from here. You remember the time where every underwriter used to get incentivized by – 'that you should not do a mistake?' From there, now it is all AI-based. Yes, you actually expect or give a leeway that this many mistakes are bound to happen. So much mistake is allowed to the model. And every time a mistake is made, the learning from that gets back into the loop. Strong portfolio management reviews and techniques are very important for that and all that now is in place. And you will see because of that, month on month, not only the NPA – NPA performance is actually a very late way and very ineffective way of measuring a model. A model is measured by '0 DPD' performance and '0 DPD' is improving continuously and obviously after 90 days NPA will improve. That's obvious as we go ahead.

And now we come to the last part of what we want to talk about. This is a very technical slide. This is the route map, the design, of what we call Fintech@Scale.

Scale to be understood easily. There is no point building a fintech, a great app, without scale. We have the equity; we have the borrowing muscle to really build scale and then absolute top-class structure for scalability. Gone are the times of on-premise infrastructure. It is not scalable. So, we are – other than what the regulator requires to be on-prem – almost completely on the Cloud and totally scalable.

We have completely automated processes. I have also put the people we work with, SFDC workflow, completely business rule engines, and a fintech ecosystem. There is no point replicating what other people are doing. We do API integration to actually use that.

Third very important point is security, very topical. It is important you can never be 100% safe in this world. You have to make sure you are not the low-hanging fruit. Because, very clearly, here the danger is to the lowest-hanging fruit. So, you have to be better than almost everyone else in the market. The hackers will always be ahead of whatever any security measures do, but you can't be a low-hanging fruit. And we are sparing no expense in doing that. ISO 27001 certification already….

And then last but not the least customer journeys built on both assisted as well as D2C app. This is the total structure of our fintech at scale.

I will just expand it a little bit what it means for customers. This I've talked a little bit but this is what we do while customer capturing. And this delivers a customer value proposition of turnaround time which our company as a culture believes is the most important customer value proposition. Something that Indians lack today is time, whether you are a rural customer or an urban customer.. even a rural customer comes to the taluka bazaar once a week or once in 15 days and he needs to close his business that day. If he comes to the branch and sees a long queue, he will then come after 1 month and your payment will be delayed that much. Very simple. If he wants to buy a tractor, he wants to buy a tractor on that day. Everything needs to be closed on that day.

When a microloan customer wants funding, she wants it on that day. Delivering that without taking stupid risks. We cannot take a KYC risk, we cannot take a fraud risk, we cannot take credit risk. Why are you doing this? And technology helps us. So, many times speed is defined as, we can take away certain processes. That's never the purpose. Yes, you can take away the process as such but what is achieved by that process? The purpose of that process cannot be taken away. It can be done by technology and data. And that gives speed. A human being may take some time, right? Last 3-day weekend, the human beings in the head office were home other than the people who were preparing for this investor meeting; they were home. The human beings in my branches were working when the dealership was open. For Micro Loans people, I don't know whether there was a weekend. This was a month end. Where is the question? So, they were working – all of them. But the AI was working all 72 hours and that is important. And when that happens, speed happens.

The next part is saying that where all now we can use analytics. And very easily understood is - for choosing of customers you can use analytics, for underwriting you can use analytics. This is understood by most people. But

we use analytics for sourcing, as I said, by granular environmental data – where to source from; one. Underwriting I need not talk much. Many people do that. Now, where we use analytics is for collections. Are we achieving these kinds of collection numbers by taking too many people in collections? Even if we do, it won't work. What is important is to know to a particular confidence interval, what kind of probability or propensity to pay each customer has. In his particular area, what is the need for resources and do resource allocation according to that.
Doing geotagging of customers – this was one of the biggest liberations we had. One of the big problems of Retail is the turnover of feet on street. It is more than 50% across companies, for the feet on street. They will go to another company for Rs. 500; as simple as that. Add to that a particular problem is rural India where address is not by flat numbers and apartment numbers. The address will be "behind Maruti Mandir" and complete address, that's it. Taluka so and so, over. Now just put these 2 problems together. That your person is changing every 6 months and address is not known. Biggest problem of rural India. Resolution - technology; geotagging of every customer at the time of sourcing. Not only improves that I can locate the customer easily; secondly, I can actually do a route mapping of each of my person saying that you have to follow this route and do it efficiently. Now, that person doesn't have to think where to go. The computer tells him you travel like this. The computer can track whether he has traveled like that or not, how efficient he is. The sky's the limit as we go ahead.
This has been put just to show that currently and in future for what all things we are using scorecards. Scorecard is normally understood as a credit scorecard, but we have come to a stage where things like propensity models – bounce predictions. Bounce predictions is very important. Otherwise, you will either spend money calling up everybody to remind and nuisance or you will not call up anyone. But based on the behavior of the person to see whom to make pre-presenting calls, which customers not to allocate to a collection team by saying that "Okay, this person will not bounce." All these things are now shown by scorecards. Normative grid – Well! This is amazing. Initially, every time a repo asset had to be sold, there was a huge process of approvals and then finally at what price it is sold is based on the assessment of that approving authority. Now, there is a grid based on market price, based on our experience, asset quality, there is a grid. Above that grid if you are getting a price, there is no authorization required; just sell. Just see how efficient each process is becoming as we go ahead. We will continue to grow like this.
This is the last slide, I promise. I have taken a little bit more than what was allotted. On the right side, you see the numbers. On the left side is the summary of the strategy of how we are making these numbers not only possible, not only excellent, but also sustainable.
Thank you all of you for a very-very patient listening. I know I have spoken for about 1-1/2 hours. We still have a good half an hour for questions & answers. All of you, my only request is to continue to support us like you have supported. During COVID, a little bit below, but before that, we have had our good times. I think the company now has its strategy very clear, has the team in place, and has the organization in place to deliver that strategy. The organization is genuinely coming to age. Just about a year back, a very strong individual, the head of Retail left and we could find people internally and externally to take up the mantle and grow and not only grow but excel and deliver what we had to deliver. That shows the strength of the team, that shows the age and maturity of the organization that we have now begun. Keep your support coming. Thank you very much.

Moderator:

We will now move on to the Q&A session. I would like to request Mr. Sachinn Joshi, our Group CFO, to please join Mr. Dinanath Dubhashi on stage.

Dinanath Dubhashi:

Actually, all the questions which had come to Karthik I have answered, in the last 2-3 days. So, I don't know whether there are any more questions, but of course, you are welcome. Just a request to introduce yourself and your organization.

Nidhesh Jain:

My name is Nidhesh. I work with Investec. Just 2 questions. Firstly, what we have seen in the past is that models behave very well during a normal environment, but in case of a shock environment, these models tend to fail. So, how are we thinking about…. Because the segments in which we operate are not straight-line segments. We see deep shocks as we have seen in the last 10 years and I think these things will keep on repeating. So, that is the first question. How are we preparing ourselves with respect to be anticipating these shock events? Second is the segments that we work in my view, at least the perception that we have built over the last 10 years, are quite touch & feel segments and underwriting is quite subjective. It's very difficult to templatize these segments and underwrite these customers using models. If you can elaborate how we have been able to remove that subjectivity and make them more objective?

Dinanath Dubhashi:

First, I will start with claiming our right to speak about this subject. Anybody can speak. There was one slide that I showed of a 10-year performance. There were the same segments. There was the same cyclicality. There were the same problems. In fact, there was COVID also. And the portfolio has not only held but shown steady performance throughout. That is where I claim the right to even talk about it. And I am not saying my wisdom is going to be the best wisdom. There are various ways. In fact, in tractors, the top 2 companies used to believe in very-very different philosophies – touch & feel and centralized underwriting – very different. I don't know recently, I have not heard, but used to believe very different philosophies. I believe there will be advantages of both. But importantly the cyclicality and the tendencies of shocks are same whether you are doing a model or a touch & feel underwriting because you don't know that a shock is coming at the time of underwriting anyway. It is going to come later. So, the shocks or the cyclicality is dealt not by underwriting but by your ability to react quickly – react in terms of changing your models, react in terms of early warning signals and then concentrated collection mechanism even before it becomes delinquent. All this comes through technology. Through touch & feel, you won't know an account is delinquent or likely to be delinquent before it becomes delinquent. But technology can tell you that. Analytical models can tell you that.

So, my only proposition to you is - don't pay too much attention on the method of underwriting because underwriting is a guess in the future, at the end, based on some data from the past, whether it is done physically or whether it is done by a model. Model just does it faster frankly and more reliably. When you do physically, what's the problem? Let's say a company has 600 branches. Each branch will have 1 underwriter minimum. Your ability to hire, train uniformly, and then retain those underwriters. You have to be in retail to understand how difficult it is. I mean these are the things that are easily said. In actuality, those underwriters keep changing every 6 months. Then, what touch & feel?

So, the only way of making it uniform, sustainable, and making sure that decision taken in portfolio meetings get immediately transmitted to the ground is only through model. Just imagine there is a credit organization where there is a head of credit, then zonal head, then regional head, then branch head, and then credit underwriter. A decision taken in portfolio meeting, how much time it will take to transmit down and that too uniformly? When you are using a model, it happens like this. That is the advantage of models over…. and that's what we believe. That is why we believe in centralized underwriting. That doesn't mean we don't use those same parameters. We use all the same parameters. The only thing we take out is non-uniformity and personal bias. A push at the end of the month. At the end of the month, 99% of the salespeople in branches, you know where they are? Where they should be? They should be at the dealership place. They are sitting near the underwriter pushing the file.

When you do AI-based underwriting, all this goes away. That is where we not only have faith but numbers have shown that it works. And not only that, it worked through COVID also because you not only have an underwriting model, you have an early warning signal model, and then you have a provisioning model, which shows that you have to increase provisioning. That's why our provision coverage is actually higher. That much management overlays we keep because we want to make sure that if something happens, that is there. All this put together, all in all, we believe that, I wouldn't use the word superior, I would think it is the most practical method, the most real method of doing underwriting. That's it.

Nidhesh Jain:

Are we building some redundancies in the models to prepare for shock events for example? Because, in the past, the models have worked beautifully during good times.

Dinanath Dubhashi:

No, models work…. That's what I am saying. Not only underwriting model; if you take all the 3 models, they were during shock events also. What more of a shock event than COVID? And the portfolio held very well and the provisioning also held very well during COVID. In fact, very simple. We had thought that we will use our entire overlay in FY23. We had to use hardly anything in FY23. So, actually, it has held extremely well during a shock event.

Sachinn Joshi

If you look at the Ind-AS model, the ECL models that we are already working on, they also are getting refined. Every year you find that the behavior pattern is checked, how the product is actually dealing outside, what is the history behind that. And that is again factored into the ECL models and that takes care of any eventuality. So, whatever challenges we have seen over the last 2 to 3 years get actually baked into the ECL model on an ongoing basis, plus the macroprudential provision for events which you can't really figure out. Those are for unexpected events.

Dinanath Dubhashi:

And life has to change, right? Let's take a gold loan company. So, I am talking about an industry that I am not there, just as an example. Just about 5 years back, they used to have valuers in every branch, who will rub the gold, see, and that what he says that itself is true value. That's it. Who knows? He knows. From there, every large branch now of a good company has machines and now the next is those machines are centrally connected to a server, which can take uniform decisions. Has the basic of valuing gold changed? No, but more uniformity has been brought. Human biases have been taken out. So, the fundamental remains the same. There was a time when we used to do calculations mentally. Then it moved to calculator. Then it moved to Excel. Now we just talk to ChatGPT and it will tell. That doesn't mean 2+2 has become 7. 2 + 2 is still 4. 2 + 2 is too simple, but something like 39/27 which is difficult which mentally you had to do the math, then calculator came, then Excel came. Now you will ask ChatGPT 10 times more difficult than that. Fundamental of mathematics will remain the same. It will just be faster. It is the same thing.

Viral Shah:

I'm Viral Shah from IIFL. Two questions. One is now that you are templatizing all these products more so in the rural area with the use of technology. Many other peers are also getting there, of course, including even banks are expanding reach everywhere. Do you see structurally the profitability of the product in whichever shape or form you see, whether in terms of pressure on yield or savings on opex getting reinvested or not being actually materializing? Do you see that profitability is structurally going down for especially NBFCs in the rural area?

Dinanath Dubhashi:

You are talking about a particular period in mind? 10 years, 5 years, 2 years?

Viral Shah:

Over the course of next at least say 3 years if structurally one has to see

Dinanath Dubhashi:

Very good question. Yields most probably will come down structurally, mainly. Where you will make up for those? And it will take time. I said that first the overall yield of the system is way lower than what the unorganized sector charges. That's why we are able to charge those yields. In tractors, us and Mahindra are clear market leaders. Third is Kotak. There is no public sector bank. Public sector banks give tractor loans at what 9%-10%? So, yield being suddenly reduced is a misnomer. Ultimately, like in every good market, will it come down? I think definitely

it will come down but along with that with the use of technology…. Technology is used for 2 things. Good companies will use it first for resource allocation; second, for collecting early. As that happens…. over that same period. That will also not happen immediately, but over that period, like it has happened in housing finance for example. Expense ratios as well as credit ratios will start coming down. Like housing finance, why can people afford to lend at 9%? Of course, they don't make much ROE at that. 9% is way too less, but because your expense ratios are low and because your credit ratios are low because of the asset. Here that asset will not be there but here analytics will bring that. So, whether overall profitability will reduce? I don't think over the next 5 to 6 years at least we see of a big drop in ROAs coming in rural sector. Beyond that, let's see. I think just we will have to become more and more efficient.

Viral Shah:

Another question was that as the share of the urban loan book in your overall mix increases, will that also be an offsetting factor in terms of your NIMs….

Dinanath Dubhashi:

Yields, yes. That's why I am saying my steady state yields will be more closer to 11% – 'NIMs+Fees'. You are absolutely right. Currently, it is closer to 12% – 'NIMs+Fees'. Various factors; increasing fees, reducing yields; but yes, certainly, with more urban, it will come down, but again, along with that, expenses will be also lower and credit cost also will be lower.

Shweta Daptardar:

I'm Shweta from Elara Capital. I had a couple of questions. There was this one slide on urban versus rural presence. You partially answered half of my first question. With rural potential looking higher, which business prospect you see better, urban versus rural? Plus we have sizable presence on the eastern side where Micro Loans have been slightly critical in the past. So, how do you perceive Micro Loans portfolio? That's question #1. Question #2 is incrementally we saw Q4 putting up lower provisions because as you rightly mentioned, we are one of the highest on the PCR. We have macroprudential provisions in place. Will this trend continue? I am not talking about credit cost because that is something you have guided. I am talking about the credit charge to P&L which was lower. Will we continue to see that trend going forward? And last but not the least, growth shrinkage was seen for the past several quarters and rightly so because we are paring down Wholesale. But now that sizably, that is behind, what is the immediate growth for FY24?

Dinanath Dubhashi:

I will certainly not answer the last question. I am not supposed to give such short-term guidance but I will answer all your other questions. I think the answer to your question is in your question only that it is not urban versus rural. It is urban plus rural. The growth will come from both the places. If we see mature products, two of the mature products are rural and only one mature product is urban. Because of that, perhaps the share of urban in our book and also Consumer Loans is growing very fast. SME is growing very fast. These are very small portfolios. Just because of that arithmetic, urban share may go up in our book. It probably will. Third is Home Loans. Home loans, we have just started growing. As we grow, Home Loan book doesn't run off faster; Home Loan book remains. Because of all this arithmetic, urban share will increase. That is why I was answering Viral that NIMs plus fees will slowly come down to around 11% because of that. That doesn't mean that we see a higher potential in urban than rural. It is just arithmetic working. In fact, in the short term, our economist feels that urban is showing signs of deceleration and some risks in the very short term, just 1 year, more than rural. Rural is looking very robust in the short term. But medium to long term, we believe that certainly all the four businesses that we are in, which is rural individuals, rural business, urban individuals, and urban business, have very good potential for growth. Eastern. Micro Loans: Eastern India is prone to natural calamities more. Whether it is floods, whether it is cyclone, it first comes to Andhra Pradesh, Odisha, West Bengal; some geography. Micro Loans; history has shown that large-scale defaults do not happen because of any geographical or natural calamities; people pay. Where large-scale defaults have happened till now in the history of Micro Loans is first Andhra Pradesh, then

Assam, in between a little bit localized Odisha. That's where it has happened. Each one of these were man-made problems, mainly political problems. Normally, West Bengal people keep talking about. For all that is said about the government, there is no politically pushed default in that state. But more importantly, what can companies do to protect against this? We can make sure that the overall lending, overall indebtedness of a particular individual is within the FOIR that she can afford. Because, when does political movements gather speed is…. we believe that during elections, it happens. It doesn't happen during elections. Whenever the FOIR has gone out of control, that is the time when the political movement has gathered speed. It has happened in Andhra Pradesh and then it had happened in Assam. As long as you take care of that, history has shown that there were some storms, some earthquakes, all these being very serious natural calamities, books of good companies have held.

That was your second question. Third was growth. I can only say that as I said, we will be 90% Retail minimum as we go ahead. Growth rate, I don't want to guess but I am sure we will be above 25%. Provisions is more a matter of model. I always say that opex and credit cost I take as a fungible block; very simple. In Retail, I can reduce credit cost by throwing expenses at it. I can put more people, pay more incentives and collections will increase. So, I take it as a box. We are today closer to 8%. Over the next 2 years, we see it moderating to even 7%. That's our target credit cost plus opex as we go ahead. There are very clear projects in the company happening to make it possible. Does that answer your questions?

Shubhranshu Mishra:

I'm Shubhranshu from Phillip Capital. Four questions, sir. First one is on tractor finance. It's become a very crowded place with banks entering and taking up market share from the NBFCs in the last 2 odd years. NBFCs which includes us, we are OEM-agnostic and the one you mentioned as well. We have lost there a substantial amount of market share to the banks, which also led to yield compression. So, how do we look at the tractor finance market? Do we see any asset quality pressures going forward because everyone went berserk in lending during COVID? That's question #1. Question #2 is on the two-wheeler. When we are doing urban new-to-credit customers who would be largely migratory in nature, how do we look at collections over there? When we speak of provision coverage at 80% and if we look at Ind-AS, 80% essentially means the LGD there. So, we are talking of 80% LGD on our products. That's a fair assessment? Is that true? Are we looking at 80% LGD on our retail products? Point #4, digital and all looks nice and jazzy. But what is our total collection strength? Total people on roll and off roll that we have deployed in collection?

Dinanath Dubhashi:

You said many things. Many of those things were your opinions, right? There is no fact to support any of them. Over the last 3 years, NBFCs have gained share from banks. This is a fact. These are numbers. All NBFCs put together.

Shubhranshu Mishra:

I can vouch for it, sir. There is another MD of a very big NBFC which is a tractor finance company as well, they have said that they have lost market share at an industry level, not just them.

Dinanath Dubhashi:

Okay, fine. You can go and check the numbers. They are all public numbers. I don't have to defend what somebody else says. Just numbers. By the way, including that particular company also has gained. They have done very well in the last 6 months, right? So, I don't know what you are talking. Great company, great respect we have, and they have gained market share, they have started doing very well over the last 2 quarters. So, they have gained market share. One bank which has gained market share is Kotak, I would say, most definitely. I don't think…. IndusInd, yes. Especially, public sector banks are losing market share tremendously. So, I don't know frankly. I always believe that any product other than car loans, any product that you name today, the company of first recall is always an NBFC. Whether you say tractors or CV or gold loan or housing finance or consumer durables, you will see that it is an NBFC. So, I wonder how much I need to defend that NBFCs with banks. I joined the NBFC in 2007. Since then, I have been answering this question. And from since then, NBFCs have continued

to do very well. The point is in retail, cost of funds or yields being the biggest of advantage is a theory which has not held through times. That is #1.

Second question was about LGD. You asked a lot of questions. The 80% we have is LGD plus management overlays. We have a large Micro Finance portfolio and hence we believe that since it is an unsecured loan, it is always prudent to keep high coverages there. In fact, whatever is 90 DPD, we provide almost 100% in Micro Loans. So, what you see 80% is the weighted average of all that.

Okay, fintech you called jazzy. I don't think so. We have a great team of 27,000+ people on the ground. We do collections entirely in-house. The only thing which is outsourced is repossessions. Especially in our rural products, collections is done in-house. Repossession, etc., is outsourced, and because of that, we have this kind of manpower on the ground. What analytics does is help them do resource allocation. In rural, analytics or digital doesn't get collections. The digital payment is very limited in rural India. It is actually the people who go and collect. Analytics shows them when, where, how to do resource allocation, where to visit, how. Other than the first, numbers, where we have a difference of opinion, I believe, I have answered your questions. The difference of opinion we can share by sheer numbers. My IR, if you can give your card to them, will get back with precise numbers.

Nikhil:

Hi, this Nikhil here. First and foremost, your presentation was all encompassing and basically it was driven by the 3 R's. One R stands for Retail, which you intend to have a 90% share. Second R is Rural which not only drives your sales but also drives your profits because there the earnings are much higher. And the third R which is the vertebral column or the bread and butter is the Return on Assets which you have a targeted 3% which as per your own expression looks tough but it was a very conservative expression. In the Rural and Retail, the microfinance, according to me, occupies a very strong and a core portfolio which can grow further substantially. We were with a couple of NBFCs which are leaders in the microfinance segment and they said that this whole market in India can exceed even 3 lakh crores. Out of the 61,000 crores, what is the book size for microfinance and the blueprint for microfinance for the next 5 years?

Dinanath Dubhashi:

You are right, by the way. In fact, microfinance has already crossed 3 lakh crores. So, I will actually take a step back. The way microfinance was understood was lending at the bottom of the pyramid where you form a group, lend, and then depends that all 5 of them will put pressure on each other to repay, etc. I think we have moved on from there. There are some companies which will be there but most good companies have moved on. It is now very data based, very technical subject. In fact, definition of microfinance itself has changed that for microfinance, the income of that whole household needs to be less than Rs. 3 lakhs per year. Only then, it qualifies as microfinance. Above that is something else. That is why we are actually calling it now Rural Business Finance because hardly anything out of our total portfolio qualifies as microfinance. In fact, we have not even observed the portfolio. Just 20% out of our total disbursements in Rural Business Finance comes under the qualification of microfinance of disbursements. We have not even gone into the book for doing research, we will do now more and more. So, now the potential is not only in microfinance. Now, you are right in amazing potential. But this potential is now not at the bottom of the pyramid which is supposed to be the risky thing. What is the strength? In that particular area, how is the monsoon, how is agri, how are agri-allied industries doing, I know everything. What is the reservoir level, I know everything. How are the mandi prices, now we know that. Then I know employment levels there; I know that. Now, more and more I know income of the whole family because I am capturing that. RBI requires me to capture that from 1st April 2022. So, I am capturing that. Just the problem of microfinance was that it was fully unsecured. Now, I need not be that. They have their house; I can give them loan against property. I can give them home loan. If her husband wants to do some business, then I can give him a business loan because now I know information about the whole family and that's the plan.

You are absolutely right, but I would not like to talk about the potential for microfinance only because as much as that is, it is still a very small part of the potential for rural businesses. That's huge and that is why I said that more organized competition coming in that is welcome because they will develop fast. More people coming forward to

take loans from organized players, it is beneficial for all; it is good for them, it is good for us, it is good for the country.

Nikhil:

Thankfully, the banks are turning a blind eye towards this segment of business.

Dinanath Dubhashi:

No, I will not say like that. So, many banks are doing a good job.

Nikhil:

It is their own admittance.

Dinanath Dubhashi:

I will tell you one thing that banks are said to be…. Banks or NBFCs, I don't think we can survive without each other. If there is no bank in an area where I collect the cash, what do I do with the cash? I will have to put there. This whole narrative of either this will survive or this; if a large company comes in microfinance, then other small companies will suffer; it's not like that. The market is large enough. You have to keep competing with yourself, be better than what you were last quarter, you be better than that.

Nischint Chawathe:

Nischint here from Kotak. You were honest to call out that there should be margin compression next year because of the fact that cost of funding is going up, but what about asset side? Are you raising rates or can you pass it on?

Dinanath Dubhashi:

Home loans, we have passed on everything. There are 2-3 things which work. One, the proportion of Micro Loans in the whole thing versus the proportion of Home Loans. It is simple – highest yield, lowest yield. All other products are in between. Tractors, Two-wheelers, Consumer Loans, SME, everything comes in between, in the 13 to 16-17 range. Two-wheelers a little bit more than that but everything comes in that range – yield. 24% Micro Loans, 9% to 9.5% Home Loans. The good thing is Home Loans because being variable, we can pass on everything. Till now, we have passed on. Good thing is industry has also passed on. That is why we were able to pass on. Wholesale, whatever small portion is remaining is variable, you can pass on. The rest of the loans are fixed rate loans. The good part of that is most of its duration is 1 to 3 years. Door to door is 2 to 5 years but duration is 1 to 3 years. So, the effect of the old book is that much less. So, interest rate risk is actually lesser than that. The more impact on the NIMs may be because we will do more secured, more Home Loans, urban will grow. If Micro Loans grows like it has grown today, maybe it will not happen, but we believe that after a big growth like this, Micro Loans may moderate a little bit from the growth rate actually where it is, and that is why conservatively I am saying that it may come down. So, it will more depend on the mix than really the ability to pass on because ability to pass on wherever variable is there, it is there. Fixed is where the duration is so small that the portfolio is renewed like this.

Nischint Chawathe:

On an incremental basis, have you raised rates for the same?

Dinanath Dubhashi:

Micro Loans, we will not. The rest is, based on the market, we can do it. In Two-wheeler, we have done some increment now. So, all that we can do. But Micro Loans, we are at 24% and we will stay there. It's not so much competitive but we like to keep it at that level.

Nischint Chawathe:

This seems to be an observation across NBFCs. There is a lot of resistance to pass on rate hikes. We understand that the impact comes with a lag but is it something that just there is focus on growth, so none of the players – I mean the entire market including competition – wants to pass on rate hikes or is it just that let it be as it is?

Dinanath Dubhashi:

Okay, I will go into the crux of it. That when you are with a particular market and particular dealer for the long term, if this rate hike is not for keeps – we are not into 5-year high rate cycle – we would like to maintain certain steadiness with that dealer. I would not think and I will speak for my peers also. At least most of the mature peers, it is less of a growth strategy than giving market a steady signal that we are there. That strategy. That works in the long term. Anyway, these are very high NIM products. So, it's okay. I would rather look inwards looking for efficiency and credit cost gains than pass it on unless forced to. If this interest rate cycle remains high for a long time, I may be forced to, but till now, through my ALM and through my efficiencies, I have been able to manage. In fact, NIMs plus fees have only gone up right now.

Nischint Chawathe:

The other is on provisions. I know you touched upon it but how much provisions do you currently have on the balance sheet including the wholesale book? I know you have used some of the wholesale extra provisions and the gains on the Mutual Fund to sort of do some mark-to-market on the wholesale side but how much provisions do you really have?

Dinanath Dubhashi:

Total sum, I think IR will get back to you. I never remember numbers. Sorry for that.

Sachinn Joshi:

2% is the total which is the macroprudential provision that we have. Overall if you look at on the Retail side, it's about 5% odd. And on the Wholesale side, ~Rs. 2,700 Cr was the knockdown that we took.

Dinanath Dubhashi:

But that knockdown doesn't appear as provisions. It's a reduction from the asset side.

Sachinn Joshi:

And the overall PCRs are at about 56% on the GS3

Dinanath Dubhashi:

Nischint, if you are having any recon to be done, IR will do it.

Nischint Chawathe:

The other thing is do you sell down loans to banks in terms of Retail?

Dinanath Dubhashi:

Retail, right now we have not done. See our leverage. We have to increase leverage. Why would we do it?

Nischint Chawathe:

Because I believe some of these Farm loans, etc., you can sell down and get a far lower rate

Dinanath Dubhashi:

We can do it. There is always a possibility. Right now, we are raising PSL loan. Since RBI has allowed to raise PSL loan from ultimate on-lending, we have done that. But why do people sell down? Either for funds or for capital adequacy. Right now, we don't have either of these issues. So, if we feel that by selling off a book, especially if this on-lending there is a problem, by selling off a book on balance sheet and keeping it in AUM makes sense at

some point of time, we may do it. But right now, since the capital adequacy is so high and leverage is so low, it won't be out of any compulsion. There is no compulsion doing it.

Nischint Chawathe:

Finally, just one last question on the housing side. Does this remain focused on the prime segment or do you go down to affordable segment?

Dinanath Dubhashi:

I wouldn't say prime and non-prime so much, but you are absolutely right. We were absolutely focused on salaried. Largely during COVID, we were focused on salaried. Two reasons – one was COVID, second was we were trying to get our team and the mechanisms in place. Now that the team is fully in place, Sanjay is there. Our business head is a very strong senior business head. Collection…. I believe that one of the best teams in the housing finance industry is today with us. We are now moving more to SENP as well as LAP. So, you will see increasing percentages of LAPs and all. I would say today 60% salaried and 40% non-salaried in the book.

Chintan Shah:

This is Chintan Shah from ISEC. I had one question on the opex part. If you look at the last year, the retail mix has gone from 51% to 75%. During the same period, opex has gone up by 100 bps opex to asset during the same period. So, now when we plan to go from 75% to 90%, how are we looking at the opex-to-asset number? How do we plan to manage cost on our journey to growth? Given that opex is a very high-cost sensitive business along with our much of the digital initiatives which are also taking a toll on the cost part, how do we plan to manage the cost?

Dinanath Dubhashi:

As I said, today our opex…. and I am talking about Retail only. Total opex to book here, it is the question of denominator. If I sell my Wholesale book faster, this ratio will look higher. So, leave that. Retail cost, there is certainly a scope to reduce. Right now, we are majorly in the investment phase. As you would see, all these things that we are building, this costs naturally. We are clearly in the investment phase, and as we go ahead…. Right now, there will be a phase of investment as well as getting the efficiencies and then slowly where we get maximum efficiencies out of it. That is where I said cost plus credit cost will pare down by almost 1 percentage point from today over the next couple of years. That's clearly the guidance I am putting. Lots of efforts will have to be done for that. Yes, we are on our way.

Chintan Shah:

Mostly that 1% decline would be probably compensated by the decline in the margins as well. Even the margins could be like somewhat off by….

Dinanath Dubhashi:

We are preparing for that. It's not like that if cost is lessened, then margin will automatically decrease. But a good company will always prepare because margins will suddenly reduce. Cost will never suddenly reduce. And that is why you have to always look round the corner and trying and keeping and reducing costs. Whether that will be compensated by margin reduction, we don't know, but we have to prepare for margin reduction by reducing the cost. I will put it that way.

Chintan Shah:

Sir, one last question. On the incremental growth going ahead over the next 2-3 years, probably how much percentage would be from the existing customer base and how much could be from the new customer base? Any ballpark number if you could give?

Dinanath Dubhashi:

I have to be a crystal ball gazer for that. I will only tell you that 1 year back, maybe 1 out of every 6 loans would be from existing customers. Today, 1 out of every 3 loans is from existing customers. Maximum sale to existing customer happens in my rural. In urban, only it is cross-selling, not so much up-selling. Cross-selling from Two-wheeler to Consumer Loans or Housing Loans to Consumer Loans. As urban upselling also starts happening and customer database is also less there, but with urban up-selling, this ratio will only go up. That is what. Exactly how much will happen from whom, god knows.

Kunal Shah:

The question is on opex to credit cost. Credit cost obviously there would be a tailwind given that we have done major part of the macroprudential, MFI pain is behind, but still that 3% number seems to be slightly on a higher side. Maybe these product segments would still suggest that this is more like a medium term or structurally we are with that. And again, in terms of opex as well, continuing with 4 odd percent. This 3 + 4 is very near term or even over a medium term and a structurally we can say this is coming off 2-3….

Dinanath Dubhashi:

If you mean by very near term FY24, certainly not, but yes, over the planned period FY26.

Kunal Shah:

How much is the collection within the overall opex? Because, we still had collections and credit cost would go hand in hand. But within opex, how much could the collection proportion that we are saying it's like too related?

Sachinn Joshi:

We can't talk specific numbers per se. The audited numbers will be there. But collection cost was substantial I would say till FY22. In FY23 in relative terms, it has come down. But frankly, as I was mentioning earlier, Mr. Dubhashi mentioned, it's a total of both opex plus credit cost. If collection cost is higher, naturally it will impact the credit cost favorably.

Dinanath Dubhashi:

Let us talk about how cost will reduce. That is more interesting. Collection cost will reduce as with analytics we reduce cheque bounce percentage and increase '0 DPD'. As bucket goes up, costs increase exponentially. For cheque clearance or mandate clearance, it is zero. Then X bucket, it is so much. First bucket it is so much. Second bucket so much. When it becomes NPA, it becomes a large percentage. So, by analytics and by collection efforts, limiting maximum amount of book to zero bucket or first bucket will reduce cost. On the sales side, costs will be reduced by up-sell. That more and more I sell to my existing customers, I don't have to pay to the dealer. It is actually as simple as that. This is the way costs will be reduced. And then a little bit productivity increase for new business with my people. Costs will not be reduced by suddenly reducing dealer commissions. I will be out of the market. Costs will not be reduced by suddenly reducing my people's salary. I will have an employee turnaround. So, costs will be reduced by operating efficiencies, but this is for the sake of saying. Operating efficiencies are always very marginal to improve. Costs will be reduced by doing things which are your strengths waiting to happen. I used to say very openly 1 year back that we have been very bad in cross-selling. And within 1 year, we have changed that. I am actually quite happy and proud of it. And my people carry targets which are even crazier for cross-selling and up-selling.

Kunal Shah:

In terms of fee income, this quarter, Retail particularly, it's almost 2 odd percent. Is it more sustainable or there were some one-offs? Given this kind of inch up which is there in consumer durable, SME, and all, how should we look at fee income within the overall retail pie? Even though we keep on talking about NIMs plus fee, but this particular quarter in fact, fee income was slightly on a higher side.

Sachinn Joshi:

Some CLI income may be higher

Dinanath Dubhashi:

We didn't book in Q3, we booked in Q4. There were some things happening in the industry. So, some of it we booked in Q4 but nothing substantial. So, Q1 may be slightly lower than Q4, the percentage, but nothing like that it majorly reduced. It was not like we didn't book at all in Q3 and booked it in Q4. Some small part was not booked in Q3. So, we were conservative. As those were resolved, we took it in Q4.

Moderator:

In the interest of time, we will take that as the last question. Thank you sirs for your detailed responses and thank you everyone for being here today. For any further questions, request you to be in touch with our Investor Relations team. With this, we conclude the investor meet.

Dinanath Dubhashi:

We are available for you anytime to answer. Thank you for your support.

*Since the transcript has been derived from a voice recording tool, necessary corrections have been made to remove anomalies as well as manifest but inconsequential factual discrepancies, repetitions in Q&A which would have unintentionally crept in, if any