



Make Your Dream Home a Reality

**‘Q2 FY14 Earnings Conference Call of Repco Home Finance
October 29, 2013**

MAIN SPEAKERS:

- R. VARADARAJAN, MANAGING DIRECTOR**
- V. RAGHU, EXECUTIVE DIRECTOR**
- T. KARUNAKARAN, CFO**
- K. ASHOK, CGM**

Moderator

Ladies and gentlemen, good day and welcome to Q2 FY14 Earnings Conference Call of Repco Home Finance hosted by Antique Stock Broking. As a reminder, all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing '*' and then '0' on touchstone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Digant Haria from Antique Stock Broking. Thank you and over to you, Digant.

Digant Haria

Yeah. Hi, thanks, Moshin. Good afternoon to everyone and welcome to this Repco Earnings Call. We have with us the entire management team of Repco Home Finance which is represented by Mr. Varadarajan, MD; Mr. Raghu, ED; Mr. Karunakaran, CFO; and Mr. Ashok, CGM. The second quarter has been a turbulent one as far as the liability side is concerned, especially for housing finance companies in terms of NHB guidelines . The management will now take us through the second quarter performance. Post that, we can have a Q&A session. Over to you, sir.

R. Varadarajan Good afternoon everyone and a warm welcome to our earnings conference call for the quarter and half year ended 30th September 2013. We will be discussing our performance for the quarter and strategic initiatives in place to keep driving our growth momentum.

Repc Home Finance is well positioned to navigate the tough macros as reflected in our strong performance during the year so far. Not only have we been able to maintain growth momentum, buoyed by strong increase in disbursements, but, we have also improved our margins and returns. This has been achieved in spite of adverse liquidity conditions due to our niche focus, cost control measures and robust risk management systems. As a result, we have seen an earnings uptick of 45% year on year.

We are now actively expanding our geographical footprint. Repco has already built a strong base in the South where we have attained brand leadership in our segment. We are now contiguously expanding in non-Southern states with an aim to diversify regionally as well as grow faster. We have expanded our retail network to 102 branches and satellite centres as on 30th Sept'13 compared to 93 as on 30th June'13. Of these, nearly 2/3rd are located in niche markets of tier 2 and 3 cities where the demand for housing is strong. Our low-cost business model has helped us to expand and sustain operations in these cities.

Our loan book has a diversified mix of borrowers including both salaried and non-salaried customers with over 54% from the non-salaried segment. Repco has been able to successfully penetrate this segment due to

our superior service level and personal credit appraisal and evaluation process. Self-employed (including professionals and non professionals) remains a largely untapped segment even though it today constitutes 51% of the workforce. We see this as strong growth opportunity.

We have seen a sharp improvement in asset quality as we were able to bring down the GNPA to 1.67% as on Q2FY14 as against 2.12% in Q2FY13. NNPA stood at 0.92%. The provision coverage has further improved to 45.3% from 25.3% a year back. While asset quality performance is contingent on the external environment, lower LTVs and stringent risk appraisal processes will ensure low credit costs for us.

In terms of liquidity position, Repco Home Finance is a long-term borrower with very limited exposure to short term borrowings. We have been able to maintain our borrowing costs with well-diversified liability profile – bank borrowings 63%, NHB borrowings 30% and Repco Bank 7%. We aim to further diversify our borrowing through other instruments. During the quarter, credit rating of our term loan facilities were upgraded to AA- from A+ by ICRA and CARE also assigned AA- rating. The non-convertible debenture (NCD) programme of the company has been assigned a rating of AA- and commercial paper has been rated A1+ by ICRA and CARE.

Let me know quickly encapsulate the financial highlights for the half year ended September 2013. Total income from operations for the first half FY14 stood at Rs. 248.6 crores, which is up by 32% year-

on-year, net interest income for the half year was Rs. 89.8 crore, up 57%., PAT stood at Rs.51.5 crore, which is up by 45% year-on-year, disbursements grew by 53% year-on-year to 759.7 crores and the loan book stood at Rs. 4036 crore registering a growth of 30% year on year.. We reported a NIM of 4.7% for the period ended 30th September 2013, which is largely a reflection of spread improving to 3.3%. Return on assets and return on equity stood at 2.7% and 20.6% respectively for the same period.

Going forward our presence in niche markets and scope for both deeper penetration in existing markets and wider geography expansion into newer market will ensure robust loan book growth for us. Our healthy capital position at 25.6% will drive growth requirements for the next couple of years. We endeavour to sustain margins with our pricing power on the asset side, diversify the liability profile and ensure stringent cost control as well as credit appraisal processes. At this point, I would like to thank all of you for joining the call. We may now take the questions from you.

Moderator

Thank you very much, sir. We will now begin the Q&A session.

Digant Haria

Yeah. Sir, this is Digant here again. Sir, mainly, you know, it's on this NHB borrowing. You know our NHB borrowing has again fallen this quarter. So how much of it has to do with the guidelines, have you consciously decided not to borrow in the RHF window or is it more to do with the normal way in which the loan book has been growing?

R. Varadarajan

During the first half of the year, we had a capital infusion of Rs. 270 crores, It helped us in reducing borrowings from the other institutions. But towards the end of the second quarter when NHB changed its guidelines, capping spreads at 2% on lending under Rural Housing Fund, we took a conscious decision not to avail refinance under this window. . But in the two quarters we have been repaying money due to NHB, owing to which its outstanding share in total borrowings has come down to about 30% now.

Digant Haria

Okay. Is our ticket size increasing, that's not a really a bigger reason why this has happened?

R. Varadarajan

No, that's not a big issue because the refinance is available at concessional rate up to Rs. 15 lakhs, and as on date our average size of the loan is still Rs. 10.4 lakhs. So that's not an area of concern for us.

Digant Haria

Right. And on the asset quality performance, it's the second quarter where we have seen this huge improvement, almost 40 bps decline on Y-o-Y basis. So can you just briefly highlight the initiatives that we have taken to improve collections, especially in the self-employed segment?

R. Varadarajan

Thrust was given on recovery during the current quarter. Individual accounts were taken up and specific strategies were worked out for collection of money from these accounts,. As a result, there has been a substantial reduction in the NPA level from 2.22% at the end of Quarter 1 of the current financial year to 1.67% at the end of Quarter 2 of the current financial year.

Digant Haria

Right, sir. Thanks. That's it from my side.

Moderator

Thank you. The next question is from the line of Ankit Ladhani from East India Securities. Please go ahead.

Ankit

Yeah. Good afternoon, sir. Sir, continuing on this NHB financing query, I mean, we do get NHB funding at a low cost of around 8.25-8.5%. We have seen a decline in NIMs over the year with a decline in share of NHB funding. So can you explain what level

should we expect the NHB funding to go down to and any subsequent impact on the margins of the the company?

R. Varadarajan

Well, as far as the NIM is concerned, it is not because of our borrowings from NHB it has come down or something like that. If you see the NIMs have also improved over the last one year. Actually if you see the NIM percentage has gone up from, 4% as at the end of March 2013 to 4.7% in September 2013 While at the same time borrowings from NHB has come down. In March 2013 it was 36.5%, and it has come down to 30% now. The rise in NIM has nothing to do with,NHB borrowing as the average cost of borrowings from NHB has been around 8.12% for us during the last one year. There is no substantial reduction in the cost of borrowings from NHB, which could probably lead to an increase in the spread. Since we had availability of funds through infusion of capital during the first quarter, we didn't feel the necessity to borrow from NHB, or from any other source.

The second reason is that with NHB putting this cap of 2%, we need to rework the strategy now because borrowing at 8.1% or 8% under the Rural Housing Finance Scheme and then lending it at 10%, doesn't

make any sense for a small housing finance company where the administrative cost of working in a tier II or tier III city is very high. And then if you add the risk profile cost, probably 2% margin is not going to work out. So that's the reason why we have put on hold our borrowings from NHB under the special rural housing finance scheme. We would like to evaluate the various sources available and then take a call on that.

Ankit

Okay. Sir, if we are looking at other sources of funding and we have also seen improvement in ratings. So what kind of quantum are we looking to raise and what is the approximate cost of that? Expectation as such.

V Raghu

We have an approval to raise about Rs. 500 crores through the non-convertible debenture route, about another 100 crores through the CP route and as our MD initially said we are in for long-term borrowing and not short-term borrowing. So will probably resort to CP borrowings only if it is absolutely necessary. Whereas we can look at NCDs for about Rs500 crores at a rate, which probably will not lead to an increase in the overall cost of funds. Today, the hallmark of any housing finance company is its ability to raise funds at competitive rates. That's the only way they can survive in this market. So we would like to enter the

market at an appropriate time. .But the ultimate aim is to keep the cost of borrowings as low as possible.

Ankit Okay, then what will be the current yield that the company earns?

R. Varadarajan The current yield for us is 12.6%.

Ankit Okay. Then what will be on home loans and what will be on salaried? Can you give approximately?

R. Varadarajan See, the yield on the salaried portion is around 12.07%, and on the home equity is 15.9%.

Ankit Okay.

R. Varadarajan The break-up of housing loan yield on the salaried portion is around 11.86% and for the non-salaried portion is 12.3%.

Ankit Okay. So if we are getting a NIM of about 4.7%, then the cost of borrowing, will be pretty low. It will be around 8-8.5%. So I don't understand how we get cost of borrowing at those levels, since most of the banks base rate is close to 10.5%.

R. Varadarajan The cost of borrowing is 9.30%. The overall spread is around 3.3%.

Ankit Okay. And then NIM is at?

R. Varadarajan NIMs are at 4.7%.

Ankit And what will be the NIMs for the full year? Expecting, it will be these levels or do we expect to go down or go up or something like that?

R. Varadarajan We would like to maintain the NIM. That's our endeavour. \

Ankit And sir, I mean, we have seen very handsome growth in advances for this H1 as well as for the full year based on y-o-y basis. So can you give guidance on FY14 growth we are expecting?

R. Varadarajan We don't like to give any guidance as far as the growth is concerned but our endeavour is to maintain a growth of 25-30% as we have been maintaining in the past.

Ankit Okay. That's all from my end. Thanks a lot.

R. Varadarajan Thank you.

Moderator Thank you. The next question is from the line of Subramaniam P S from Sudaram Mutual Fund. Please go ahead.

Subramaniam Hi, sir, good evening and congrats on a very good set of numbers. Sir, I just saw in your presentation you are saying your cost of debt has actually come down quarter on quarter from 9.4% to 9.3%. Just wanted to understand how is it that this has happened?

R. Varadarajan Our major borrowings, two-third of them as of now, are from commercial banks. What we have done is we have closed down all high interest rate loans. Now, almost all the banks are lending us at their base rates only. And we have availed loans from banks where the base rate is lower. So this enables us to bring down the average cost..

Subramaniam Okay and what would be your incremental cost of borrowing, sir, now?

R. Varadarajan Incremental cost of borrowing is 10.25%.

Subramaniam 10.25% is what you are borrowing at, sir?

R. Varadarajan From banks, yes.

Subramaniam Okay, all right. And sir, what is the yield currently on the LAP book for us?

R. Varadarajan 15.9%.

Subramaniam Okay, so that has not changed. You haven't raised the interest rates on LAP?

R. Varadarajan No, not yet.

Subramaniam Okay. And any plans for that, sir?

R. Varadarajan No, we have not increased the rate of interest but its share has gone up from 14% a year back to 16%. Our endeavour is to further increase by at least another 2%.

Subramaniam By when, sir, is that? By this year itself?

R. Varadarajan Not by this year. It will take two years.

Subramaniam In two years' time. Okay, sir. And if you can just give us a breakup of NPA between LAP and housing, and how that has moved over the same period last year?

R. Varadarajan The NPA for the LAP portion as at the end of the September 2012 was 2.57%. It has come down to 2.20% at the end of the current half year. On the housing loan front, it has come down from 2.04% to 1.56% during the same period.

Subramaniam Okay. This is the gross NPA, no, sir?

R. Varadarajan Gross NPA.

Subramaniam Okay. Sure, sir. Thanks a lot, and wish you all the best.

R. Varadarajan Thank you so much.

Moderator Thank you. The next question is from the line of S Chellappa from Pari Washington (ph). Please go ahead.

Chellappa Good evening. What is the sanctions figure for the last quarter?

R. Varadarajan The sanctions for the last quarter were Rs. 486 crores.

Chellappa Okay. And, sir, provision, can you give what is the specific provision and what is the general provision?

Management General provision charge for the current half year is about Rs.2.05 crores, specific provision is Rs. 12.73 crores.

Chellappa Okay, thank you.

Moderator Thank you. The next question is from the line of Umesh Gupta from Reliance Wealth. Please, go ahead.

Umesh Gupta Yeah, hi. I just missed the figure on spreads, so what is the spread right now?

Management Spreads right now is 3.26%.

Umesh Gupta And where do see them considering the NHB thing going forward?

Management We would like to maintain a spread of around 3%.

Umesh Gupta Okay. So you think that because of NHB guideline your spread would come down, or you are saying the long term the spreads would be 3% and the near term they will still be higher?

Management See, we have to take a call depending on the rate of borrowing from other sources. See, we'd like to judiciously play around with various resources available to us, such that the spread is maintained at 3%.

Umesh Gupta Okay, thanks.

Moderator Thank you, the next question is from the line of Jyothi Kumar from Spark Capital. Please go ahead.

Jyothi Kumar Hello sir, just one query on this refinance thing. I am just reading out from the NHB circular. It says that the on lending rate should not be more than 2% over and above the maximum refinance rate under the scheme prevailing at the time of the claim. My question is this, do institutions get differential pricing in NHB window? Specifically.. let's say Repco approaches and some other competitor of yours approaches, is it likely that both of you can get differential rate of interests under the Rural Housing Scheme?

Management Well, it is possible according to the rating which NHB assigns to individual institutions based on their inspection. It could be possible. But under the specific refinance, if you talk about special Rural Housing

Finance Scheme, the interest rate is common for all the institutions.

Jyothi Kumar

Okay, sir that's the only question I have. Thank you so much.

Moderator

Thank you. Participants who wish to ask a question may press '*' and '1' on their touchtone phone. The next question is from the line of Rahul Bhangadia from Lucky Investments. Please go ahead.

Rahul Bhangadia

Thank you for taking my questions, sir, and congratulations on a very good set of numbers. Sir, I just have a follow-up to the last two, three questions which were asked. Do you kind of set up your NIM as a target or your 3% spread as a target, because NIM involves the leverage levels also that you are working with?

Management

See, the management have both the targets, both the NIM and the spreads. And we would like to maintain a NIM of around 4% and spread up around 3%. We would like to work around that.

Rahul Bhangadia

But as you increase the leverage and as the NHB borrowing goes down as a percentage, maintaining

NIM would be an issue, maintaining spreads would be much easier, isn't it? I am just wondering.

Management

Yeah, possibly yes, maintaining the spread would be much easier than maintaining the NIM given the current situation. But we would like to take it as and when the situation emerges. We would like to take a call. But the overall objective is to have a NIM of around 4% and a spread of around 3%.

Rahul Bhangadia

Okay, and you expect to maintain your 25-30% growth rates going forward for the foreseeable future at least?

Management

I may not be in a position to give you any guidance, but our endeavour will be to have a growth of 25-30% on the loan book.

Rahul Bhangadia

Sure. Thank you so much.

Moderator

Thank you. The next question is from the line of Rohit Shimpi from SBI Mutual Fund. Please go ahead.

Rohit Shimpi

Yeah, good afternoon, gentlemen, thanks and congrats on good results. Sir, just two questions. First is on the target mix of the loan book comprising of housing loan and LAP portion? I am asking because the LAP

portion has moved up a little bit in the recent past. Is there a target cap we would like to keep on this? The second question is what would be the target mix comprising of salaried and non-salaried portion?

Management

As far as the LAP is concerned, the Board has given us a direction to go up to 20%, so we can take that as a cap for the LAP. But for the salaried or non-salaried segment we don't have a cap in mind.

Rohit Shimpi

Okay, fine.

Management

Usually, the strategy will be to have a combination of 50-50 with a range of plus or minus 5%..

Rohit Shimpi

Okay, sure. And sir, on the branches which are in Andhra Pradesh, are we seeing any concern on growth, asset quality, etc, because of the recent political issues?

Management

As far as Andhra is concerned, yes, growth has come down a bit, which is a concern. And because of all these bandhs and other things, the repayment probably could get delayed. So we have to take a call. We have a wait-and-watch attitude for that. We will wait and see how this thing evolves at the ground level.

Rohit Shimpi Okay, fine. Thank you, sir.

Moderator Thank you. The next question is from the line of Ritesh Bam from Prabhudas Liladher, please go ahead.

Ritesh Bam Sir, I just missed on the explanation of NPA improvement during the quarter. What was it about?

Management Yeah, the NPA levels have come down from 2.22% as at the end of June 2013 to 1.67% as at the end of September 2013.

Ritesh Bam So what was the reason for the same?

Management We gave more thrust on recovery and identified various strategies with respect to individual accounts. The efforts fructified.

Ritesh Bam Sir, those individual accounts will be more from non-salaried accounts?

Management Both salaried and non-salaried.

Ritesh Bam Okay. And sir, can you give some colour on your disbursements and sanctions, if you can throw more light on non-Tamil Nadu regions,.

Management

See, more or less, the growth cycle has been similar, with Tamil Nadu accounting for about 63% of the business. In September 2012, it was 63.6%. and now, it is 63.5%. Then comes Andhra, which was 14.5% last September, it has come down to 13.1% this September, followed by Karnataka, which has remained stable at 12%. We have Maharashtra contributing about 4.4% now up from 3% last year.

Ritesh Bam

Okay. And, sir, one more question, do you get any help from the parent bank for distribution or marketing of your loans or how much business will be from the parent bank?

Management

We don't have any specific arrangement with the parent bank for our business promotion. There could be some referrals, but then the total percentage contribution from the parent bank probably will not exceed 2-3%.

Ritesh Bam

Okay, thank you, sir. That helps, thanks.

Moderator

Thank you. A reminder to all the participants, you may press '*' and '1' for asking your question. The next question is from the line of Nitin Soni from GC Investments. Please go ahead.

Nitin Soni Yeah, hello sir. Sir, just one query, you said the Board has given us permission to increase the LAP proportion to 20%. And you said that the spread target is 3%. Now, if the LAP as a percentage goes up, then will it not affect our spread positively? So your 3% target is with current LAP exposure, how should we look into both the things?

Management The 3% is given and so it is based on the current LAP.

Nitin Soni Okay. So if we go up to, say, when we are targeting, say, 20% LAP, then what sort of spread you will be targeting at that point in time?

Management I don't think I will be in a position to work it out right now because that will depend on various other factors. That will depend on how the interest rates are going to move in the market. And I also have to watch the interest rate movements of competitors in the market. So there are various factors involved. I don't think I will be in a position to give you guidance.

Nitin Soni Okay. And sir, one data point, in terms of the LAP portfolio what will be the salaried versus non-salaried ratio?

Management It is 77% and 23% respectively..

Nitin Soni Okay. Alright, sir, that is all, thank you.

Moderator Thank you. The next question is from the line Abhay Gandhi from CIMB. Please go ahead.

Abhay Gandhi Hi, sir.

Management Hi.

Abhay Gandhi Sir, basically, can you just brief me about the profile of non-salaried segment.

Management They are both professionals and non-professionals.

Abhay Gandhi So basically they are in two, so professional means?

Management Professional means doctors, lawyers and chartered accountants.

Abhay Gandhi So basically this type of customer is not bankable customers or what?

Management Not necessarily. They are bankable; otherwise they won't be eligible for a loan.

Abhay Gandhi So then why they come to you or they don't go to other banks or something like that?

Management We believe it is because of the faster service which we provide.

Abhay Gandhi Okay. Total live accounts are around 45000. So what is the mix of salaried and non-salaried in terms of that?

Management I don't have the exact numbers between salaried and non-salaried in the number of accounts.

Abhay Gandhi Okay, thank you.

Moderator Thank you. Another reminder to all the participants; you may press '*' and '1' for asking a question. The next question is from the line Rajesh Gupta from SBICAP Securities. Please go ahead.

Rajesh Gupta Hi, sir, I just wanted to ask you what is incremental average ticket size of loan at present?

Management Incremental?

Rajesh Gupta What is the average incremental ticket size of the loan which you provide to the various salaried and non-salaried segments?

Management Housing loan size is around 12 lakhs and for the LAP it will be around 15 lakhs.

Rajesh Gupta Okay. Thanks, sir.

Moderator Thank you. Participants who wish to ask a question may press '*' and '1' on their touchtone phone. The next question is from the line of Karthik Lakshmanan from BNP Paribas Mutual Fund. Please go ahead.

Karthik Lakshmanan Hi, sir, what would be the ticket size of, I mean, break-up between 20 lakh plus ticket size and below that normally?

Management See, we have almost 70% of the loans below 20 lakhs.

Karthik Lakshmanan Okay, earlier this used to be 65%, so that is kind of an improvement over the last two quarters of below 20 lakh ticket size.

Management That is correct.

Management Hello, any other question?

Karthik Lakshmanan Yes, sir, the branch additions, what is the plan for branch additions?

Management We would like to open 15 branches a year. Till now, we have opened 9 branches this year so would look to open another 6

Karthik Lakshmanan Right. Sir, this yield improvement from Q4 from 12.3% to 12.6% would be explained by what?

Management Yields on advances have gone up because of increase in the LAP portion by 2% over the corresponding period of the previous year.

Karthik Lakshmanan Okay, thank you, sir. That is all. Thank you.

Moderator: Thank you. Anyone who has a question at this time may press '*' and '1'. The next question is from the line of Gaurav Maheshwari from Unilazer, please go ahead.

Gaurav Maheshwari Sir, congrats on a good set of numbers. Sir, just wanted to check if you can give a break-up of the total RHF and other routes as on 30th September?

Management Okay, you want specifically under the RHF?

Gaurav Maheshwari Yes, specifically under the RHF.

Management Under the RHF, as at the end of September 2013 our outstanding is around Rs. 666 crores, which contributes about 67% of my borrowings from NHB.

Gaurav Maheshwari And sir, what is the rate?

Management For the entire NHB borrowings, weighted average rate is 8.12%.

Gaurav Maheshwari Weighted average for NHB is 8.12% and for RHF?

Management RHF will be slightly less than 8%, maybe. I don't have the exact figure for RHF specifically.

Gaurav Maheshwari Okay, and the banks the average borrowing rate that you mentioned is around 10.2%?

Management 10.3% as at the end of September 2013.

Gaurav Maheshwari And, sir, on Repco Bank?

Management It is 11%.

Gaurav Maheshwari Okay. So on your foray into other states, how has that been in terms of the success that you are getting? Any specific challenges that you are facing?

Management The experience has been good so far in Maharashtra and Gujarat. And we would like to probably consolidate our position in these two states in the coming years. As regards, Odisha and West Bengal, yes, it is yet to pick up since our brand is still not well known in those states. It will take some more time for us to establish the brand before we actually increase our business in these states.

Gaurav Mheshwaria And what is the business model in those states in terms of getting our clients over there. Is it the same 'loan mela' concept that is being used there?

Management So far we have got our clients only through loan *melas* that we conduct at the branch level. Recently we have allowed on an experimental basis, the branches in Maharashtra to engage the services of DSAs.. So the model needs to be evaluated, maybe, over a period of six months to one year we will see as to how the business is improving with that model. It is only in Maharashtra., elsewhere, we have allowed all our branches to recruit Direct Sales Teams or DSTs.

Gaurav Mheshwaria Okay, and the DSTs would basically be on the payrolls of the company?

Management: Yeah.

Gaurav Mheshwaria Okay and the salary structure would be fixed plus variables?

Management: Fixed plus variable, yes.

Gaurav Mheshwaria Okay, and one last question, sir; in terms of the incremental borrowings which you mentioned, you are figuring out other routes to borrow. So if we were to assume that interest rates remain at elevated levels, borrowing from NCD route will be costly. The same might lead to an increase in the total borrowing cost as we may have to completely avoid the NHB route post their recent guidelines. How do you intend to keep the borrowing costs low? Can we pass on the increase to clients and whether they will be able to absorb the same?

Management As I told you, our objective is to have spread of around 3%. Today we are on 3.26%. Depending on that, maybe we still have the leeway to pass it on to our borrowers if there is going to be a substantial increase in the cost of borrowings. We haven't

changed our interest rates on the lending for the last two years. So we have that liberty to pass on to our borrowers. We will take a call at appropriate time.

Gaurav Mheshwaria Okay because on the non-salaried segment we believe that you would have the pricing power, but on the salaried segment do you believe that that pass-on will not impact growth?

Management That is why I said, we will take a call at appropriate time

Gaurav Mheshwaria Okay. Thank you, sir.

Moderator Thank you. The next question is from the line of Subramaniam PS from Sundaram Mutual Fund. Please go ahead.

Subramaniam PS Yeah, sir, I just wanted to know on the LAP book what will be the geographical mix for us?

Management See, in all the states where we are operating, we have the LAP product available.

Subramaniam PS Okay. So, I mean, would that be in line with what your overall advances mix is ?

Management Yes, it is like that.

Subramaniam PS Okay, so it is not that you do it only in AP or only in TN?

Management No, it is not like that.

Subramaniam PS Okay. Sure, sir, thanks.

Moderator Thank you. Participants you may press ‘*’ and ‘1’ for asking a question. As there are no further questions, I would now like to hand the floor back to Mr. Digant Haria. Over to you.

Digant Haria At this juncture, I on behalf of Antique Stock Broking would like to thank the management team of Repco for taking out time and taking us through the quarterly update on the company’s performance. Thanks a lot, sir, for taking out time, and have a good day.

Management Thank you so much.

Moderator Thank you on behalf of Antique Stock Broking. That concludes this conference. Thank you for joining us and you may now disconnect your lines.