pnb Housing
Finance Limited
Ghar Ki Baat

November 1, 2020

The BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 540173

National Stock Exchange of India Limited,
Listing Department
“Exchange Plaza”
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Symbol: PNBHOUSING

Dear Sirs,

Sub: Earnings Call Transcript

Please find attached herewith the Transcript for Q2 and H1 FY2020-21 Earnings Call held on October 29, 2020. The Transcript on Page 24 includes responses to the questions that were unanswered during the earnings call.

A copy of the same is placed on the website of the Company at www.pnbhousing.com

This is for your information and records.

Thanking You.

For PNB Housing Finance Limited

SANJAY JAIN

Digitally signed by SANJAY JAIN
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Company Secretary & Head Compliance
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Encl: a/a

"PNB Housing Finance Limited Q2 and H1 FY 2021 Conference Call"

October 29, 2020

Participants from PNB Housing Finance:

Mr. Hardayal Prasad	Managing Director & Chief Executive Officer
Mr. Ajay Gupta	Executive Director-Risk Management
Mr. Kapish Jain	Chief Financial Officer
Mr. Nitant Desai	Chief Centralized Operations & Technology Officer
Mr. Anshul Bhargava	Chief People Officer
Mr. Sanjay Jain	Company Secretary and Head Compliance
Ms. Deepika Gupta Padhi	Head - Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the PNB Housing Finance Limited Q2 and H1 FY 2021 Conference Call. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Deepika Gupta Padhi. Thank you and over to you.

Deepika Gupta Padhi: Thank you, Sanford. Good morning and welcome, everyone. We are here to discuss PNB Housing Finance's Q2 and H1 Financial Year 2021 Results. You must have seen our business and financial numbers in the presentation and press release shared with the Indian stock exchanges and also available on our website.

With me we have our leadership team, represented by Mr. Hardayal Prasad – Managing Director and CEO; Mr. Ajay Gupta – Executive Director - Risk Management, Mr. Kapish Jain – Chief Financial Officer; Mr. Anshul Bhargava – Chief People Officer; Mr. Nitant Desai – Chief Centralized Operations & Technology Officer; and Mr. Sanjay Jain – Company Secretary and Head of Compliance.

We will begin this call with the performance update by the Managing Director and CEO, followed by an interactive Q&A session. Please note, this call may contain forward-looking statements, which exemplify our judgment and future expectations concerning the development of our business. These forward-looking statements involve risks and uncertainties that may cause actual development and results to differ materially from our expectations. PNB Housing Finance undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. A detailed disclaimer is on Slide 28 of the Investor Presentation.

With this, I hand over the call to Mr. Hardayal Prasad. Over to you, sir.

Hardayal Prasad: Thank you, Deepika. And good morning, everyone. Welcome to our Quarter two and Half yearly Financial Results for the Financial Year 2021. As the Managing Director and CEO of PNB Housing Finance, this is my first interaction with you all. On the behalf of the Company, I extend a very warm welcome to all of you and thank you for joining us in the call today, for some of us it's pretty early in the morning. I hope you all and your families are safe and healthy and taking due care and precautions from COVID-19.

With the lockdown measures easing and the Company entering into the unlock phase, economic activity is picking up across sectors and green shoots are clearly visible in the housing sector. The Company is witnessing steady growth across all parameters, the logins, the sanctions and the disbursements which are very critical from the Company's perspective. The Company has achieved 86% of the pre-COVID levels in disbursements during the Q2 FY 2021 and is already nearing 100% of pre-COVID levels in October or going forward. We are confident that the festival season will see a surge in the housing market with almost all financers coming out with a large number of campaigns, which has been lingering for a long time. The low interest is expected to further boost the demand in the housing sector.

We, at PNB Housing Finance disbursed loans amounting to INR 3,138 crores during the half year, registering an increasing trend on a month-to-month basis. Retail segment contributed 95% of the total disbursement, with 65% disbursed towards lower risk weighted individual housing loan, which has been the new focus of the Company. As a retail focused Company, we offer a wide bouquet of products with risk-based pricing to all customers. Along with the mass housing, we are increasing our focus on segments where the financial discipline is better, and the demand is rising. The Company is closing watching the retail housing loan market and is realigning its strategies to capture the emerging business opportunities.

With the digital being the new normal, the Company has taken steps to go digital, even at the sourcing stage. The Company, in the month of October 2020, launched its customer onboarding digital platform which is called ACE. It enables customers to upload documents for online verification process, and video-based KYC to ensure safe and contactless service for customers. In fact, we are very proud to say that we are the first Housing Finance Company to implement the video KYC. It facilitates easier verification and improves our turnover time. Over time, we expect significant percent of sourcing to come from digital channels. In addition to seamless onboarding experience, the Company uses various apps in underwriting, customer service, and post disbursal activities to enhance efficiency at each level. Going forward, we will be connecting all our different apps to make a complete seamless experience right from the sourcing stage, till the account is seeded in the CBS.

As on 30th September 2020, the Asset under management of the company is at INR 81,221 crores with retail AUM at 82% and corporate at 18%. The gross NPA on AUM basis as on 30th September is 2.20%. On Loan assets, the GNPA is 2.59% as on 30th September 2020. Retail book GNPA stood at 1.23% and corporate book GNPA stood at 7.6%.The GNPA in corporate book has reduced during the quarter, owing to proactive resolution in few accounts. And in line with the interim order from the honorable Supreme Court, the Company has not recognized accounts classified NPA as on 31st August 2020. Adjusted for these accounts, pro-forma gross NPAs would have been 3.04%. As a prudent provision coverage measure, the Company has made adequate provisions in these accounts in line with the Stage-3 provision coverage ratio. With the current provisions, the total provision to total asset is 2.99% and overall provision coverage ratio of 115% as of 30th September 2020.

The Stage-3 provision coverage ratio has increased substantially to 44% vis-à-vis 22% as on 30th September 2019. The life to-date write-off by the Company is 11bps, which is pretty low if we compare it with some of our competitors of the cumulative disbursement. In line with the changing environment and keeping in view the stress in the real-estate sector, the Company has further tightened its underwriting standards and it remains one of the cornerstone of our growth story in terms of risk management practices that the Company is exercising.

On the corporate book, during H1 FY 2021, the company has down sold few of corporate accounts and received accelerated prepayments. We remain steadfast in our strategy to bring the share of corporate book down by the end of current fiscal year. We are closely watching our corporate book, which are in various stages of resolution, and are hopeful that some resolution will fructify during the financial year.

On the collection front, average monthly collection efficiency during the quarter remained at around 95% level. The company has enhanced its collection efforts by utilizing cross functional teams and improving its field collection abilities. The field collection which remain restricted due to COVID-19, has shown signs of improvements. As the market starts unlocking, the venues for resolution will also advance and the impact on bucket three and NPA will reduce. We have also intensified our efforts to resolve the accounts through auction, OTS, etc.. They have borne good results as we have been able to dispose of some assets.

Let me now share a few financial highlights with you:

The pre-provision operating profit for the quarter is that INR 575 crores in Q2 FY 2021, as against INR 578 crores in the corresponding quarter last year. During the last interaction, we had advised you about the cost rationalize measures taken by the Company. I am pleased to inform that our operating expenditures during the Q2 FY 2021 has reduced by 19% compared to Q2 FY 2020.

Since the severity of COVID-19 is not fully known, and the economic conditions are yet to improve, as a prudent approach to increasing provision and thereof, the profit after tax for Q2 FY 2021 is at INR 313 crores as against INR 367 crores in Q2 FY 2020, registering a decline of 15%. The return on assets for H1 FY 2021 is 1.47% and the return on equity for the same period is 13.38% on annualized basis.

Talking about the liabilities, with the falling MCLR the Company has registered a sequential decline in the cost of borrowings of 12 basis points quarter-on-quarter. The Company is at various stages of discussions with lenders to reduce the interest rates on our high cost borrowings that will help in further bringing down our cost of funds. The Company mobilized funds from multiple sources, and is second largest deposit taking HFC in the country. The Company has enough liquidity as on 30th September 2020 and undrawn sanction limits.

The Company is comfortably placed on its capital requirements as on 30th September 2020, with CRAR are at 18.66% and Tier-1 capital at 16.13%, and Tier-2 2.53%, which is based on I-GAAP numbers. The gearing of the Company has improved and is now at 7.8% as on 30th, September 20. On the capital raise, PNB, our promoter has advised that they are seeking regulatory approvals to infuse capital through preferential or rights issue. The Board of the company has also approved capital raise through preferential and rights issue. The same has also been disclosed to the stock exchanges and the information is in public domain. Meanwhile, we have initiated the process of appointing the bankers and legal counsels to raise the capital at the earliest once the permissions are in place.

On the regulatory front, Reserve Bank of India, on 22nd October, issued a revised regulatory framework for HFCs. We are reviewing the guidelines and its impact on us and will advise you as we go forward in the next 10-15 days. We would like to assure you that we will continue our focus on improving our acquisition strategy, strengthen our underwriting standards, enhance our recovery capabilities, improve our system and processes and further rationalize cost. The company has built a strong balance sheet and will continue to rebalance its portfolio to build a strong retail franchise.

With this, I would now like to open the floor for question answers. And with the full management team sitting over there, we will be more than happy to respond to the queries that come to us. Thank you very much.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Sanket Chheda from B&K. Please go ahead.

Sanket Chheda: Sir, I wanted to ask what percentage of the AUM has not paid any EMI or what percentage of borrowers have not paid any single EMI till August and also in September, so they remain unpaid?

Hardayal Prasad: I think 19% of the book has not paid, 81% has paid at least minimum one or more EMIs of the morat book, not of the whole book. We are only talking about the morat book, , 19% is one which have not paid and, obviously, they are being looked at and contacted through various sources right from SMSs, emails, field collection and through various measures to see to it that whether they are really in dire stress or they have the ability to repay the loans and actually we have been continuously improving these numbers.

Sanket Chheda: So in Phase-1, loans under moratorium was about 56% overall, and in Phase-2 it went down to about 39%-40%. So, the 19% we have to take it on that Phase-2 number or the Phase-1 number?

Ajay Gupta: No, Phase-2 number because the numbers which we have given is where customers have availed moratorium till 31st August.

Sanket Chheda: Okay. And sir, this 19%, can you give a flavor on how much it would be from corporate and how much of individual?

Hardayal Prasad: In terms of the numbers if you look at it, it is retail. The corporate book, almost significant numbers have applied for a moratorium. So, amount wise and number wise would vary.

Sanket Chheda: Okay. And sir, on disbursement, while we say that we have reached 80% in Q2, actually we are comparing that with Q4 disbursement numbers, right, which was anyways also impacted by COVID.

Hardayal Prasad: I would not say that they were really impacted by the COVID, because the lockdown started only around 22nd March. So more or less, the files would have come in and the disbursement would have taken place in Q4. The comparison is done because that is the narrative everybody's talking about. To compare it with a lockdown for almost about three, four months, significant lockdown in the first quarter, I mean, really, we can make a comparison and we would have given the number. But you will not really able to make out that whether the businesses are coming back to normal or not. That's the whole purpose, otherwise, it's not that the comparison is not being given. The comparison has been given at various places.

Sanket Chheda: Okay. And sir, the last question is that what has led to such sharp fall sequentially in the AUM? In disbursement given if you compare Q2 to Q2, that was above 50%, but then what has led to such sharp fall in the AUM, sequentially? Fall in the AUM which is about 2.5%, 3% sequentially.

Hardayal Prasad: Almost all banks if you look at it, have really reduced the interest rates significantly. And our ability to reduce the interest rates, obviously, would remain a little different because we do not have CASA deposits. And therefore, our reduction has been not up to the mark. So, the differential of interest rates between us and any of the major financier has increased and there is a runoff in terms of the books that we are seeing. But the only thing that we are doing is that we are working pretty hard in terms of ensuring that despite the fact that there is a differential that has come in, how can we actually really hold on to the book by bringing in efficiency in terms of new acquisition as well as talking to the customers and explaining to them the reasons why they should stay with us and the advantages that they would get once they are with us. So, unless it is pure interest reason, I mean, obviously, you would go. But there are many other charges and other things that go. And some of the financiers, once you may be quoting and acquisition may be at a lower rate, very quickly keep on changing the interest rates and most of the customers understand that part, that there are interest rates that keep on changing. And that is why we have also been able to retain some customers.

Moderator: Thank you. The next question is from the line of Parag Jariwala from White Oak Capital. Please go ahead.

Parag Jariwala: See, my question is with respect to moratorium. When you say 19%, this is 19% of total book, right, which has not paid any EMI?

Hardayal Prasad: No. I think we made it very clear, the retail moratorium book.

Parag Jariwala: Okay. So I have to basically apply a percentage to moratorium book and say that this is the 19% of the moratorium book which is not paid?

Hardayal Prasad: That's right, sir.

Parag Jariwala: Okay. And sir, is it possible to give us a breakup, or you think it will take time between retail and corporate?

Ajay Gupta: See, overall if you look at, I am just addressing your first question. 81% is collection efficiency for retail moratorium cases. But overall, if we look, my retail collection efficiency is 94%-95%, which remained more or less same last three, four quarters. We should take confidence from that, that the portfolio so far is holding on.

Parag Jariwala: That's right. Sir, is it possible to give us a breakup of retail and corporate within those who are not paying EMIs for the moratorium book, especially.

Hardayal Prasad: I am sure it is possible, not right now, but you can reach out to Deepika and we should definitely be in a position to answer.

Parag Jariwala: Yes, will do that. Thank you. And sir, last thing, when you said you have tightened the underwriting, so how much time do you think you will take to reach to the normalized profitability level once you have this cleanup and the growth and everything comes back?

Hardayal Prasad: So, the most important thing is actually to ensure that with the limited data that may be coming up, or for example, the non-updation of CIBIL and other data, because information is not being uploaded or it is not really true because of the morat and other reasons. Obviously, you have one of the vectors that goes into the underwriting, it has a limited view over there. But there are so many vectors that go into the underwriting. So, what we have done, and we look at almost everything, what is your ability, what is your income stream, how good is your income stream, you look at the salary slip, even I mentioned in my opening remarks, the emphasis is on the salaried and others, the strong book that we are building on to it. So, you look at those things, you look at the surrogate data, and you see to it that whether how strong it is.

So, the underwriting standards have been improved and I can assure you and I can tell you with a lot of confidence that the Company will ensure and will maintain that there is no dilution on the underwriting standard. In fact, the underwriting standards can actually be strengthened and will continue to strengthen keeping in view the individual portfolio within the home loan. If there are any portfolio where we see if there is a stress coming in, obviously, the underwriting will immediately be done. In case we see that some portfolio is behaving very well, then after some time we will see whether the underwriting standards need to be relooked at and whether there is a unlocking of the tightening that needs to be done, that would be done.

I think on the risk management side, we remain steadfast in our approach to ensure that the portfolio remains strong and robust and there is no dilution. I think we can assure you that, that the risk management team works completely independently in terms of ensuring that the portfolio quality is always maintained. But you also have to factor in what is happening in the economy, the unlocking that is taking place, the green shoots that you are seeking. So despite that, we are also saying that on the disbursement and acquisition side we are growing. So there are mixed things that are happening, too early to say what is going to happen, but we are sure that we are on the right course.

Moderator: Thank you. The next question is from the line of Anuj Singla from Bank of America. Please go ahead.

Anuj Singla: Sir, can you give us some indication of the collection efficiency for the month of September as well, in terms of the exit rate after the moratorium?

Ajay Gupta: We just mentioned, it is 95%, and remained range bound pre-September and in September.

Anuj Singla: Okay. So on the same ballpark, 93%, 94% holds for September as well?

Ajay Gupta: That's right.

Anuj Singla: Okay. And sir, is it possible to share the Stage-2 assets in the 2Q?

Ajay Gupta: We normally share the bifurcation of Stage-1, 2 and 3 annually, because this is a mortgage business and annuity kind of a business. And we will continue to show Retail and corporate annually.

Anuj Singla: Okay. Because after moratorium the key concern on the GNPA numbers will not reflect our total asset quality. So, if any indication, if you can share some more color on that Stage-2, because that becomes a key focus area at this point of time for investors.

Hardayal Prasad: Anuj, it is a little early right now, because we just have received the Supreme Court order. And keeping that in view and the behavior of the consumers and the borrowers, it's a little premature at this stage to exactly say that how they are going to behave. Because, despite the fact that the moratorium was over, people were expecting some kind of relief to take place. And even when we were going and we were strongly pitching for the collection, and explaining to them, educating them through various channels, SMSs, emails and everything, they need to repay, many of them did say and were a little aggressive also in terms of saying that they would like to wait and they would like to see that how it is going to pan out. So, I think even if many of them who could have repaid were holding back. I think now the time has come; I think it's very clear how it is going to fair. Based on that, I think another month or so, this next quarter we should be in a position to tell you how the book is fairing. At this stage, a little premature to give those kinds of numbers to you.

Anuj Singla: Okay, fair enough. Sir, lastly, in terms of yields, we have seen a Q-o-Q improvement of about 100 basis points, despite the pricing pressure from banks, which you mentioned. So is it primarily on account of the securitized pool income of INR 105 crores in 2Q or there are some other factors you have taken interest rate hikes in specific segments?

Kapish Jain: So if you remember, in Q1 we did mention the fact that we have increased our rates in the corporate book, the result of which is fully seen in quarter two.. While securitization is one part, but primarily the yield in the portfolio has actually moved up in Q2 and has stood as what it was as of March as well. So we have held back on our yields on a normal state basis as well, not factoring the securitization impact. Securitization impact has given added jump to the quarterly yield.

Hardayal Prasad: In some of the portfolios we have introduced risk-based pricing, we are also going to actually take it forward in terms of LTVs and others. The risk-based pricing on some of the portfolios have already been introduced as part of the strengthening of the underwriting book.

Anuj Singla: Okay. Just to clarify, this 11.3% number will include the impact of the INR 105 crores as well, right, of the securitized portfolio?

Kapish Jain: Yes, it does. But even if you shave that off, the yields in the normal book is in line to what it was in March, because of some rationalization that we did in the retail portfolio and some increase that we did in the corporate portfolio at the beginning of the quarter.

Hardayal Prasad: We will continue to look at the book very, very closely on every aspect in terms of how do we strengthen our balance sheet, in terms of the provisions that we are going to bring in and in terms of the cost rationalization, the revenue optimization, which is also natural, if you look at it, it really has led to a reduced gearing also. I think, we will continue to monitor it very, very closely.

Moderator: Thank you. The next question is from the line of Piran Engineer from Motilal Oswal Financial Services. Please go ahead.

Piran Engineer: Congrats on the quarter. I have a follow-up to Anuj's question, so this INR 105 crores is part of the INR 1,960 crores interest income, is it?

Kapish Jain: Yes, Piran.

Piran Engineer: Okay. Fair enough. And secondly, out of your SMA accounts of INR 5,100 crores which have been granted moratorium, how much was retail and how much of corporate?

Kapish Jain: Piran, we will update you separately on this. We don't have it ready as of now.

Piran Engineer: Fair enough. And just lastly on the same yield question, so now I see that your lowest yields that you all offer are like 100 bps higher than competitors, for an 800-plus CIBIL score customer it is 7.9%, whereas, say, an HDFC, LIC start at 6.9%. So, really, how can we be competitive in such an environment? Historically, we have maintained a yield of 20 bps above an HDFC, but with 100 bps above, how do we see the future of business growth?

Hardayal Prasad: I fully agree with you that, at that level, we were always 5% higher, it's not that that we were never higher, we were always around 5% interest rate higher. What has happened today is that we are almost at about 5% of the interest rates, whatever was being quoted, if 7% was quoted I was about 35 basis point above. What is the differential that has come is, not the basis point, 10% over the interest rates quoted by our competitors. What is important is that, obviously, interest rate we will quote based on the risk-based pricing is going to remain the cornerstone of our policy. We have some challenges in terms of our ratings and everything. And therefore, it is important for us that we remain very, very profitable in terms of the way we are going to grow our books. Importantly, I did mention to you that we have been able to pare down our borrowing cost and we will continue to look at that. What you just mentioned about that 800 bps and everything, as a part of the campaign, we have already reduced interest rates for one particular category and brought it down to 7.5% for the next few months. And we are looking at it in terms of how we can really look at the balance sheet and we find out that where there is a room for looking at the interest rate. But I would like to tell you very clearly that profitability, cost benefit analysis will continuously remain, the delinquency and everything will continue to remain one of the most important things that we will look at it in terms of the growth that we are going to look at.

One thing I would like to mention, , if you really look at the housing market, and the housing market in India, obviously, is quite underpenetrated. So, mortgage-to-GDP ratio is only a 10%, which is much lower than a lot of countries and across the globe. Even if you look at the estimates that ICRA has given, it just moves to 13%. I think there is a huge demand. And with nuclearization of the families and there are a lot of other things that are happening, people started looking at buying new houses, bigger houses, having some offices across, because both spouses are working, there is a demand that has going to come up. With this kind of underpenetrated mortgage industry, I mean, I take your point on the interest rates, I think there still is going to remain some demand for housing. And we look at it, Housing for All, the government's very important initiative, will help us significantly in terms of the way we are going to build our Unnati portfolio and Affordable Housing portfolio. We will continue to actually focus on those areas which are going to be the new sunrise kind of areas that are going to come up. Thank you.

Moderator: Thank you. The next question is from the line of Swanand Samant from Chanakya Capital Services. Please go ahead.

Swanand Samant: Just I wanted some number of the under-construction portfolio on the retail side. That's my first question. Second, we have decreased branches in this quarter, so will it continue in next two quarters also or we are finished with that? Third, sir, we have started borrowing on CP from last quarter, so is there any upper limit on the percentage of CP of the total borrowing? That's it, sir.

Rajan Suri: So, our under-construction portfolio as it stands today is 19%. And we are currently not concentrating too much on under construction project, rather, we are concentrating on completed project and on resale properties. So that's where we are moving on as far as this under construction portfolio is concerned. And on number of branches we are talking about, currently we have 96 branches we are present in, and I think we are well capitalized for a growth from these 96 branches because we are working on the productivity model rather than just going on expansion and spreading thin in the market. So, each and every branch has to be productive and profitable, then the other next branch can be looked at. So that's the model that we are targeting now.

Hardayal Prasad: That was actually the first round of rationalization of branches and operations that was done. And now that the business will start picking up, we need to relook at the rationalization, cost cutting and cost optimization basis. It's a continuous exercise, every quarter the organization is going to look at very, very closely in terms of how the costs can be optimized. So, the second round will also take place in terms of looking at it, whether these branches are profitable, productive, I think Rajan mentioned it very clearly. And as a sales head, he remains very, very glued to the fact that it has to be a very profitable branch and it has to have profitable operation.

Kapish Jain: So, our CP share currently is around 2.5%. I can't look CP in isolation, I have to look into CP in line with what are the other backstop facilities I have. Our liquidity position, our pipeline of borrowing that's available to us. And more particularly now the LCR guidelines have also come in, which we also would need to make sure that we have got adequate liquidity being buffered in for the short-term windows. So with those elements securely in place, we will decide on how much of CP share we are going to build into the portfolio. But very clearly, we are not going to go too heavy on CPs. And even if I go for a CP, we will go for a longer tenure, rather than looking to a three-month refinance window.

Swanand Samant: Okay. And sir, on the corporate sell down portfolio, so we sold down almost INR 350 crores in quarter one. So is there any target for the whole year?

Saurabh Suri: Yes, we will target to bring down the book through down sell, accelerated payments etc about INR 1,500 crores throughout the year. So roughly INR 500 crores a quarter is the plan going forward.

Swanand Samant: Okay. Is it possible to spell out the product wise yields, so home loan, corporate, LAP, etc., for this quarter?

Hardayal Prasad: Usually we do not actually give those yields, but offline if you can connect with Deepika, we might give it.

Moderator: Thank you. The next question is from the line of Nidhesh Jain from Investec Capital. Please go ahead.

Nidhesh Jain: Sir, what should be the timelines for capital raise? And when you are interacting with credit rating agencies, what they are saying, because our leverage has come up quite significantly over the last 12 months. So is that still remains a concern in the minds of credit rating agencies and what is the hindrance of our credit rating being upgraded? What is the feedback that we are getting from credit rating agencies? These two questions, sir.

Hardayal Prasad: The announcement of PNB, the promoter of the Company, to infuse, subject to regulatory, has been a very positive sentiment. Subsequently, the Board also came out with a resolution for raising the capital. I think these are very positive sentiments and the interactions that we have had with the rating agencies, obviously, have centered around the capital raise, on the delinquency as well as on the liquidity part I think the way we have managed our liquidity, the way we have managed our delinquency I think are pretty good. Just waiting for a regulatory approval, I definitely cannot read the mind of the regulator in terms of when the approvals will come. We are expecting the approval to come, we are to hear from the PNB. The moment we hear it out, we are ready, we have done our due diligence in terms of how quickly we can reach the market. So obviously, after we receive the approval, we should be in a position to go ahead and mop up those capital as quickly as possible. I would not be able to give you the date or any other period on which that would be done.

Nidhesh Jain: Sure sir. And looking at the current data and the provisioning that we have created, what is their view on the incremental credit cost for the Company over this year and next year?

Ajay Gupta: We, are at a healthy provision of 115% overall. And, so we feel that as of now the provisions are adequate, and don't expect this to rise exponentially in coming quarters.

Hardayal Prasad: Provisions are adequate if you really look at it, but with all that what has happen now, The Supreme Court and other Directors that have come in, now is the time to really find out whether the provisions are going to be very good or not. What is important is that whether the Company is geared and has ensured that the provision coverage ratio and other things improve, that's very, very important and significant. We look at the book and see how it pans out and we will continue to improve it required the provisions that are there, what we have done this year is also quite significant in the way we have built our provisions. And we have seen to it that and I gave you the numbers of porforma NPAs and we have actually treated them the provision has been treated as if it would have become an NPA which was not there at all and I don't think the whole portfolio will become NPA. But as a prudent exercise we went ahead and we provided for that portfolio also and we made a disclosure also which is important that this is the position and this is the risk if anybody would like to look at it that this is the magnitude of the risk that is sitting on the book.

Moderator: Thank you. The next question is from the line of Subrat Tiwari from SBI Life. Please go ahead.

Subrat Tiwari: First was on the collection numbers. So, in June the total collections were around INR 550 odd crores excluding the amount received from sell downs, what is it in September?

Ajay Gupta: INR 1200 crores.

Subrat Tiwari: Without factoring in any sell down, etc.?

Hardayal Prasad: Yes.

Subrat Tiwari: Okay. And when you said 95% is the overall collection efficiency, is there any breakup between retail and corporate there?

Hardayal Prasad: This is on retail side.

Subrat Tiwari: 95% of it and on the wholesale side?

Hardayal Prasad: Actually, on wholesale it is about billing and receiving, separately we can connect and give this information.

Subrat Tiwari: Sure. No worries, my last question is on the restructuring part. So what is your thought process, have any developers or even corporates come and approached you for restructuring or what percentage of book could be restructured?

Ajay Gupta: It is little again premature we got our board approved policies for restructuring. There are definitely few inquiries from the developers and we are evaluating it, now to crystallize and say that how much percentage book will actually ask for modification, restructuring, etc. at this stage is a little premature, give us 30 to 45 day's time to basically fathom as to how many cases will qualify and we are ready to do restructuring or modification.

Moderator: Thank you. The next question is from the line of Naishee Shah from Acko General Insurance. Please go ahead.

Naishee Shah: So, one of the questions that I have was regarding the liquidity coverage ratio. So, would you be able to quantify it?

Kapish Jain: So Naishee, the new regulations are applicable from December of 21 and that on a gradual basis starting from 50% moving to 100%. So, we have not absolutely measured the liquidity coverage ratio from the guidelines perspective, but given the kind of liquidity that we have been maintaining over the last few quarters and even now as of 30th of September, we are well in place to be close to 100% of the liquidity ratio that has been prescribed on a pure play basis not doing an HQLA kind of a definition, but on a pure liquidity perspective we are well in place because this liquidity is something that should last us for the next 90 days. So, we have adequate liquidity, we actually using this liquidity as a tool to pay off some of our high cost borrowings that we have, which we already did last quarter and even this quarter as well. And using as well to do all kind of negotiation for all our high cost borrowings. So, that's the comfort zone where we are as of now.

Hardayal Prasad: The repayment of high cost borrowings, the repayment of borrowings would mean that what he's saying is, that we are trying to look at it and repay the high cost borrowings, because we have some liquidity. In fact, wherever we have repaid, we have gotten a very good feedback. Initially, obviously nobody would like to reduce the rate but, once we have taken a call, most of the financers are coming back to us and saying that okay, we are going to reduce and bring it down, to the present MCLRs.

Naishee Shah: So basically, you all are drawing down your liquidity buffers since the month of September, if I'm not wrong?

Kapish Jain: Yes, so we measure the comfort on liquidity on two basis, one is the hard liquidity that we hold on the balance sheet and also the kind of pipeline that we have built in for fresh borrowing. In aggregate if the two gives us comfort, we can play around in reducing the liquidity so that the load on the balance sheet comes down, but I have buffer with me. So since we have built a reasonably good pipeline, on lines of credit which we have not yet drawn, we are in a position to bring the liquidity levels down.

Hardayal Prasad: Actually, in the initial four or five months, the banks and the lenders were a little slow in terms of looking at the limits that we had with them, and they were taking longer time to give limits. Now, what we are doing is that we are anticipating three months in advance and if required we are going to the banks and the lenders to have improve and to increase the limits if required. The overall the liquidity by the hard cash with the cash liquidity that we maintain, and the undrawn limits that we have we will see to it that it is a pretty good balance and we are in a position to negotiate, we are in position to maintain and we are in a position to have even enough amount to lend also.

Naishee Shah: Correct sir, thank you sir. Sir another question, sir you all have the net deposits of the Company have gone down to zero year-on-year. is there a reason why that would have happened, considering you all have relatively higher rates as compared to other banks and companies?

Hardayal Prasad: Actually, there has been a little slow down in terms of our deposit mobilization also, I agree with you there's a little bit issues on the corporate deposits that were coming in. Normally the corporate is also a strong book that we built. However, this time the corporate book did not grow as it was. However, the new measures that we are putting, twice we have reduced the interest rates also but the measures that we are putting in, I'm sure that the second largest deposit taking HFC will ensure that there is sufficient growth that will come in, if you really look at it from the deposit growth that one would see in the market, a lot of it is coming on the CASA side and on that fixed deposits most of the deposits that are coming in are coming only for less than one year. So, there is a issue over there, sitting over there and we need to look at it and we need to see that if the growth is coming in those one to five year deposits, how are we paring and how our interest rates in terms of the market and the competition. We are continuously looking at it as you go forward, you will see growth on the deposit franchisee.

Moderator: Thank you. The next question is from the line of Anuj Sharma an Investor. Please go ahead.

Anuj Sharma: Sir, my question is, can you give us a picture on like what will be your closing moratorium as on August 31, 2020 and what will be your current liquidity when you talk about liquidity or the investments that you have done and the underline that you have had?

Kapish Jain: Anuj as I mentioned, our liquidity currently is sufficient to take us for the next 90 days and I'm not factoring the undrawn lines that we hold, this is factoring in also the disbursement that we are planning, the anticipated collection that's going to come in from other sources as well and my normal business operations. So with that all being factored in this liquidity looks to be sufficient to take us for up till the end of this quarter, which is Q3 has already started. Not factoring the pipeline that we hold.

Anuj Sharma: Sure sir. Sir what was closing morat as on August 31?

Ajay Gupta: For retail it was about INR 18,000 crores book which was in moratorium as on 31st August 2020.

Anuj Sharma: Sure sir. Sir what will be your, in the PPT that you have mentioned that you've said that on top of the regulatory provision requirement you have made a provision of around INR 1,332 crores, so will we take it as a COVID provision like additionally on the COVID that you have done this additional provisions?

Ajay Gupta: We have a provision of INR 2,004 crores, the INR 1,332 crores is over and above the earlier IGAAP provision norms. To your second question, we are already into six months of COVID. So, the risk is fructified in the sense that the pandemic is there so, it is not possible after six months to segregate what would be my pre COVID or post COVID. So all these numbers are, as things stand today and looking forward how things will pan up, six months, 12 months or 24 months from now on which we apply macroeconomic factors and so the model is created.

Anuj Sharma: I am saying sir, there would not be possible segregation between the total provision and the COVID provisions?

Ajay Gupta: Yes, it is actually a futile exercise to make hypotheses that had there been no COVID what would it be, it is very difficult to just give, one example, for LGD how do I assume that if there was no COVID what would be the security cover and what would be the dip because, we have to see today what is the impact of security and what is my loss given default under the COVID scenario. So, it becomes a very hypothetical and academy exercise to presume that there was no COVID, there was no stress on LTVs or securities and then make a presumption on LGDs.

Anuj Sharma: Sure. Sir just last clarification that you said moratorium you said the book is around INR 18,000 crores in the moratorium as on August 31st the retail book. So, that means almost 20% of the book was under moratorium and retail and any number on corporate side?

Ajay Gupta: We mentioned earlier that around 85% of corporate book was in moratorium as on 31st August 2020.

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

Kunal Shah: Sir, firstly on the corporate side if you can give color in terms of what are the collections in the escrow which is happening for the developers whom we have lend what is the kind of sales and the collections that they have seen over last three to four odd months, just to get some sense as to how the behavior has been, and what is the kind of improvement that we are looking at. So maybe some more color apart from maybe what we are saying that by the end of August, it was like 85% was under moratorium, but how to expect in terms of worth couple of quarters how they would move here?

Ajay Gupta: See, my request to you would be this is too early to make any value judgment. This is, we all know that real estate sector and project specially the things were, because of lockdown things were not good in the sense that all the construction work, supply chain, etc. were all stopped. So, we should appreciate that this is the situation till about a one month back and things are opening up now. So, to make any judgment in terms of in 30 days time how things are panning up, I can only give you one indication that yes, things are shaping up good for a completed units or near completed units, there is a surge in demand for affordable or that kind of property line. In Pune market, in Bombay market there is a good demand which is being generated, this is the feeling which we are getting and, if you look at Anarock report, in Q3 the sales number has tripled from the previous quarter and that is why the retail business, we see there is an off take in retail also, we are close to 85% of what we worked pre COVID numbers.,

Hardayal Prasad: We have interacted with almost all top builders and fortunately or whichever way you look at it, we have all the top builders of the country where we have single finances in some of the projects and our interaction are continuous with video conferencing and sometimes personal meetings and all that. Everybody is saying that the conversion at their office is increasing, which would mean that if there were 100 people walking-in and there were only 25 who were converting it, today only 50 people walk-in but maybe 25 to 30, 50% conversion takes place, because it all the virtual imageries and other things being shown the people who come to the builders office, they very clearly are ready to buy a property that's one thing which is very, very good. But obviously it is going to take time, once you have finalized the deal only then the escrow and other mechanism will start flowing in, in terms of the salary in terms of other things people are making payments, they are coming in but there are some portfolios or some segments in the society which have definitely have a problem. So, as the unlock starts, more or less it has started I will have to see unless what has happened in Europe once again, the second or the third round if something like that happens then it could be an issue. Otherwise if you look at it, the builders were saying that they are receiving good queries which is a very good sign and whether and the top 10 markets as Ajay mentioned, the top 10 markets are coming out with a solid rebound is what is our numbers very clearly suggests in terms of the acquisition that we are doing.

Kunal Shah: Sure. Because some of the peers have been sharing, particularly on the corporate side that 80% is the collection efficiency and somewhere around 86 to 90 odd percent kind of escrow collection. So, I thought that maybe on a comparable basis it would really help so we also have some numbers to it. And secondly, maybe in terms of between the restructuring and DCCO extension, how do we look at it maybe, wherever the payment is not coming through maybe are the project such that they could get into the DCCO extensions without the restructuring or it would be combination of both?

Ajay Gupta: See Housing Finance Companies are not covered under DCCO extension. So that is not applicable for Housing Finance Companies, it is applicable for banks and for NBFCs.

Saurabh Suri: We do have guidelines with respect to NHB, which allows for reschedulements once in a lifetime of a project because of reasons which are beyond the control of a developer. So, you are correct that these guidelines are available and we look at the impact of COVID or other circumstances on the project and we are taking a very conservative call as to what is required to be done, is it general stress or there is a natural impact on the project, and only then we look at the possibility of reschedulement in this case.You're right that this is a more efficient way of doing it. But still, the way we are we are very conservative in our ECL provisioning, we make sure that if any kind of reschedulement is done, we have adequately providing in terms of initial provisions here as well.

Kunal Shah: Sure. And lastly in terms of this LTV and risk weight. So, any indication is it applicable to HFCs and do we get the benefit?

Hardayal Prasad: No, the risk weights that have been announced by the Reserve Bank of India presently are only for the banks, they have not mentioned HFCs over there.

Kunal Shah: Yes, so it's not applicable to HFCs at this point of time?

Hardayal Prasad: As of now yes but we have taken it up obviously, and we would like that it is extended but NHB is maybe looking at it and they'll come out with some structure, because then Reserve Bank of India this is for the consumption of each one of you, when circulars come out from Reserve Bank of India they are very clearly mentioning whether it is for the banks, it is for NBFCs and it is for HFCs. So, when it doesn't mention it is not applicable to the HFCs.

Moderator: Thank you. The next question is from the line of Prakhar from Jefferies. Please go ahead.

Prakhar: ust wanted a clarification on the collection information that we have shared, so you clarified that on the moratorium loans about 19% have not paid a single installment, and so that will be approximately 8% of the loan book and you've also mentioned that on overall basis, you're collecting 94%, 95% in September. So just wanted to understand that are these mutually exclusive numbers or basically the 94%, 95% applies to non-moratorium book only, or have the moratorium guys started to pay very well from September itself?

Ajay Gupta: When we give collection efficiency of 94%, 95% this is on overall basis. So, what I have billed, what I have collected. So, customers who were in moratorium on 31st August, and came out of moratorium we have billed them.

Hardayal Prasad: EMIs were supposed to be received by us, out of that how much was received. And if he's out of the moratorium, well we are going to bill him. So out of the whole EMIs that the Company is going to bill, 95% is coming back which is in my opinion keeping in view of what is happening around, our field collection team or otherwise digital or the phone collection, the tele calling and other things have been very, very useful in terms of getting back those kinds of efficiencies. I'm not saying that others are not doing it, I'm just saying that we have been equally good.

Prakhar: But just to reconfirm this part, so basically when you had this 19% of the moratorium clients not even paying a single installment maybe 94%, 95% of those guys also paid the September dues is that a fair way to understand?

Hardayal Prasad: Obviously there will be, when we were talking about 80%, 81% and 19%, that was only for the five months, six months of moratorium period.

Prakhar: And this 94%, 95% would not be inclusive of pre-payments and loan transfers, etc.?

Hardayal Prasad: No, it doesn't include that. That's why I said it's a great number.

Moderator: Thank you. The next question is from the line of Atishay Jain from ICICI. Please go ahead.

Atishay Jain: My question is around growth, so what are you thinking about the growth in the coming quarters and how has that AUM behaved in terms of growth or de-growth this quarter, versus the last quarter versus the same quarter last year?

Hardayal Prasad: The numbers you can give Kapish, but in terms of the growth that we are looking it's going to be very, very calibrated growth. We are looking at gradual growth, we are looking at lower risk weight assets to be built. Those are some of the important thing that we are going to, we are going to look at the book which are the profitable segments within the home loan. Those are the areas that we are going to concentrate, we are going to look at the demand, we are going to look at the category of customers is coming from salaried, within the salaried it's coming from government, comes from the MNC, comes from the category B of the type of companies where the salaries are being paid or if there is a decline in the salary, what is the decline, everything is being factored in. So, it's very, very calibrated in terms of the way we are going to increase then the growth will take place. Despite all these checks and balances and the underwriting tightening that is taking place, we still feel that there are a lot of eligible customers with almost about 70% of the acquisition or the pipeline that comes on the funnel is getting approved which very clearly means that there is a large number of people who fit into this whole scheme of things are actually getting cleared for giving a loan. So as we go forward, gradually we will see that how the book will actually pan out and we'll see, but let me assure you once again, that it is going to be lower risk weight assets that we are going to acquire, assets where the NPAs are low or the segments where NPA is lower. The retail book will grow accordingly.

Kapish Jain: Like what I mentioned earlier, the AUM has actually gone down from last quarter marginally by around 3%. There are two elements of that, one is that we've also grown in a very muted, controlled manner so disbursement has been quite muted at about INR 2,400 crores for this particular quarter, which is 50% to lower to what we had same time last year.

Atishay Jain: I am sorry, 3% is de-growth this quarter?

Kapish Jain: The AUM has de-grown from last quarter of June 21, FY20 by around 3%, if you compare to September 19 is gone down by around 8%. The one reason why the AUM has come down this quarter is because we have grown in a very muted manner and some bit of book has also run out with opening up the market and with the price differential which MD highlighted earlier.

Atishay Jain: So you are saying quarter one has de-grown by 3% and quarter two has de-grown by 8%?

Kapish Jain: Quarter two over quarter one has de-grown by 3%. Quarter two this year over quarter two last year the AUM has de-grown by 8%.

Atishay Jain: Okay. All right and what are the future projections like for the AUM growth. How are we planning to grow that even next year or probably in the coming quarters any sense on that?

Kapish Jain: So as we highlighted in quarter one as well as our outlook, we would have a flattish kind of a AUM this particular year and depending on how the COVID pans out and thing shape in, and post raising of equity then we should be able to focus more on building the book and the business on the growth side. But whichever way the focus would be on the retail side and lower risk weight assets.

Hardayal Prasad: That is why it is on strengthening the balance sheet, on cost optimization, the revenue optimizations and see to it that we have a very calibrated growth. A middle single digit level growth if it comes it is going to be great, the expectation is around 5% to 6% that everybody is looking at, but I would not know that how we are going to grow at this stage. Effort is going to be there; the market scanning is going to continue to take place and we'll see that how we would like to go forward.

Atishay Jain: And can you also give us a sense on the delinquencies how they have moved this quarter versus last year's and split in terms of corporate and retail?

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Ajay Gupta: We do not share segregation of corporate and retail because of reasons I explained earlier, September 19 the stage three basically 0.8% was the number and now it is the number is given for September 20.

Atishay Jain: GNPA is 0.8%?

Hardayal Prasad: Retail GNPA is at 1.23%, and corporate GNPA is at 7.6% as on 30th September, 2020.

Hardayal Prasad: Yes, and we have also actually mentioned regarding the Proforma gross NPA if actually those accounts which were after the moratorium, that would go up to 3.04% then from 2.59%, a marginal increase but we have disclose those numbers for the benefit of you. And adequately provided I did mention to you that's very important, will be treated as if they would have become NPA and we have made a provision based on the modeling that this is the provision that we would have made if the account was an NPA accordingly the provisions have been built in.

Moderator: We take the next question from the line of Vishnu Soni from Bharti AXA. Please go ahead.

Vishnu Soni: So, we have been seeing like liquidity is comfortable so can you tell me the number what is liquidity available as on 30th September and also the bucket wise breakup for the ALM?

Kapish Jain: So, as I mentioned our liquidity we should always measure how much is liquidity there to suffice and support the balance sheet, as I mentioned the liquidity is there to support for the next 90 days from the reporting day and we have a healthy pipeline attached to it which we are also in, which we have lined up with the banks and borrowing is thus there in the plan, and on the number is around INR 7,500 crores. And with regard to buckets, the buckets are also fairly comfortable and this liquidity, as I said is giving us a good impetus for us and therefore the buckets across up till one year is also looking very comfortable.

Hardayal Prasad: That is part of the ALM management and we would ensure that the regulatory ALM management is always ensured, all the buckets right up to 15 days to three months to six months or nine months they'll all be maintained. So, when actually the CFO talks about the liquidity, he is talking it that he is very well managed the quarter end liquidities and the bucket wise liquidity all these things have been taken into account as part of an ALM exercise. So, that way you can be assured that we as, that is what is reported, if we report, if there are mismatches the next day I will get a, next day probably at 9 O'clock, 10 O'clock somebody from Reserve Bank of India is going to call me, they talk to me on that. That way we are pretty well managed.

Vishnu Soni: So you said it is comfortable up to one year. So is there any mismatch in the period beyond one year?

Kapish Jain: No, I only answered that question from a liquidity management and liquidity is more relevant for the shorter window in particular, we are fairly comfortable right up to one-year window.

Vishnu Soni: Okay. And sir how much is the undrawn credit lines facility available as of now, on 30th September?

Kapish Jain: It is reasonably sufficient, it's far higher than what we had as of June as well. And that's precisely what is giving us the comfort that we are on the right foot from a liquidity perspective and we are there for using that as a tool to negotiate on reducing our pricing for the current high cost borrowings that we have.

Hardayal Prasad: Little premature to say that we are also discussing with all the large lenders for reviewing our limits and if there are other borrowings that we can have. So, this is a work-in-progress and we will continuously look at it. So, that next three months if they take about a month or so, three months for giving us revised limits or enhanced limits, we will continue to actually look at those options and we will continue to build the limits that are required by the Company.

Vishnu Soni: That time it was around INR 5,400 crores in last quarter. So, just wanted to compare the number as of now we have but now, I find it's under discussion, it is?

Kapish Jain: Gentleman, I just mentioned to you that we are better placed on liquidity than what it was even in last quarter, so that should give you the comfort.

Moderator: Thank you. Ladies and gentlemen, we will be taking the last question now. We take the question from the line of Nischint Chawathe from Kotak. Please go ahead.

Nischint Chawathe: I just wanted to understand, on the projects that you have financed, in how many cases there is a last mile funding or new financer or somebody or SWAMIH over there?

Saurabh Suri: SWAMIH has identified around, seven to eight projects of ours for last mile funding, but that's not a preferred route for us to be very frank, because that requires ceding first priority charge in favor of SWAMIH. So, we do understand that projects need funding at last mile if they are working capital shortage there. And we are looking at various avenues not just SWAMIH to get that done. So, though this is available, SWAMIH is available but it's not a huge success in the market because of the construct of this scheme right now.

Nischint Chawathe: But you would have got a last mile financer in any of the projects by seeing the superior charge or that the policy would not see the superior charge?

Saurabh Suri: As the policies are not very comfortable ceding first charge, whereas we're looking at various other options in terms of doing bulk sales, liquidating certain inventories in the project. So that liquidity is available. So, other options structured options, rather than actually ceding first charge and losing control of the project.

Hardayal Prasad: Lot of options are being looked at on the corporate book to see to it that the large projects what can be done in terms of bringing strategic people and everything strategic investor, strategic builder or whosoever is so, everything is being looked at SWAMIH is one of them, not that we are out of it, but the construct in such a way I cannot have anything which is unfavorable for the Company, the Company has to have its security coverage's both on the overall security and also on the receivable and to ensure that what is the amount that is required to be brought in to complete the project and see that what is the kind of ceding that you have to do. So, we look at it everything and we are going to be very careful in terms of protecting your Company.

Nischint Chawathe: Okay, just one last thing. I don't know if this was mentioned earlier, because I joined a little late, but can you give a medium-term guidance on the ROA and ROE for the company?

Kapish Jain: In quarter one we did give that outlook because we thought that there were some disparity in what market is looking at and what we are envisaging for ourselves. So for now we stick to those numbers so you can go back to and refer to what we had given in quarter one.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Ms. Deepika Gupta Padhi for closing comments.

Deepika Gupta Padhi: Thank you, everyone, for joining us on the call. If you have any questions unanswered, please feel free to get in touch with Investor Relations. The transcript of this call will be uploaded on our website. Thank you.

Hardayal Prasad: Thank you very much, everyone.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of PNB Housing Finance Limited, that concludes this conference. We thank you all for joining us and you may now disconnect your lines.

Responses to the unanswered queries:

1) **Moratorium Book update**

Retail Book – Retail moratorium book as on 31st August 2020 was around INR 18,000 crore. Out of this in the month of September 2020, 81% have paid one or more EMI.

- Corporate Book - Corporate moratorium book as on 31st August 2020 was around 87%. Out of this in the month of September 2020, 85% have paid.

2) **Collection Efficiency**

- Retail – The collection efficiency is about 95% in September 2020. The field collections which remain restricted due to COVID-19, has shown signs of improvements. As the market starts unlocking, the avenues for resolution will also advance and the impact on bucket three and NPA will reduce. We have also intensified our efforts to resolve the accounts through auction, OTS, etc. They have borne good results as we have been able to dispose of some assets.

- Corporate – The collection efficiency is around 75% in September 2020, which is total billed to paid. If accelerated pre-payments, collections from sale of asset/recovery is included, the collection efficiency is over 85%.

3) Break-up of the advances outstanding SMA/overdue categories, where the moratorium/deferment was extended, as per the COVID 19 regulatory package as at February 29,2020 is as follows reported in financial statement as on 30th September 2020:

Particulars	Amount (in INR Crore)
Retail	1,842.2
Corporate	3,301.7
Total	5,143.8

4) Details of Product wise Yields as on 30th September 2020 is as follows:

Product wise RoI	As on 30th September 2020
Individual Housing Loan	~9.5%
Loan Against Property	~10.6%
Retail:	**~9.8%**
Construction Finance	~13.8%
Corporate Term Loan	~13.6%
Corporate:	**~13.5%**