



“Indiabulls Housing Finance
Q4 FY2023 Earnings Conference Call”

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MANAGEMENT: **MR. GAGAN BANGA – VICE CHAIRMAN, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, INDIABULLS HOUSING FINANCE LIMITED**
MR. SACHIN CHAUDHARY – CHIEF OPERATING OFFICER, INDIABULLS HOUSING FINANCE LIMITED
MR. MUKESH GARG – CHIEF FINANCIAL OFFICER, INDIABULLS HOUSING FINANCE LIMITED
MR. RAMNATH SHENOY – HEAD INVESTOR RELATIONS & ANALYTICS, INDIABULLS HOUSING FINANCE LIMITED
MR. PINANK SHAH – DEPUTY CHIEF FINANCIAL OFFICER, INDIABULLS HOUSING FINANCE LIMITED
MR. ASHWIN MALLICK – HEAD TREASURY, INDIABULLS HOUSING FINANCE LIMITED
MR. VEEKESH GANDHI – HEAD MARKETS, INDIABULLS HOUSING FINANCE LIMITED
MR. HEMAL ZAVERI – HEAD BANKING, INDIABULLS HOUSING FINANCE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Indiabulls Housing Finance Q4 FY2023 earnings 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. For the call we have with us Mr. Gagan Banga - Vice Chairman, MD & CEO, Mr. Sachin Chaudhary - Chief Operating Officer, Mr. Mukesh Garg, - Chief Financial Officer, Mr. Ramnath Shenoy - Head, IR and Analytics, Mr. Pinank Shah -Deputy CFO, Mr. Ashwin Mallick - Head, Treasury, Mr. Veekesh Gandhi - Head, Markets and Mr. Hemal Zaveri - Head, Banking. I now hand the conference over to Mr. Gagan Banga. Thank you and over to you Sir!

Gagan Banga: A very good day to all of you and welcome to the Q4 and full year FY2022-2023 earnings call.

In the FY2022-2023, we have consolidated on the foundation laid in the previous year which was FY2022 Co-lending and asset light path of growth which amongst our peers we were the first to pick up on has now been accepted and adopted by all industry stakeholders including banks, other non-banks, rating agencies, etc. This year we have disbursed retail loans of almost ₹ 8000 Crores under the asset-light model. This is over 2.5 times of what we had disbursed in FY2022. We now work with eight partner banks and for each of these partners we are a strategic relationship as we make meaningful contribution to their incremental retail book within the product segments that we have tied up with them for. For us in turn, this is highly earnings accretive model and gives us access to a relatively unlimited and ALM match resource pool. Our balance sheet and loan book as a result are now stabilizing and in fact, we registered a slight growth over Q3 FY2023 with balance sheet at almost ₹ 75,000 Crores and loan book at over ₹ 54,000 Crores.

Now I will firstly cover an important update on the **reorganization and rebranding** we discussed last quarter as one of our strategic focus areas for the fiscal and the year ahead.

Please refer to slide 4# of the earnings presentation.

The exit of the country’s largest housing finance company from the non-bank space by the end of the current quarter, which is Q1 FY2024, provides the company with a unique opportunity. Aside of the largest housing finance company which is vacating the non-bank space, we are probably the only mortgage focused player that has done at scale home loans, retail LAP loans, loans to developers as well as other loans backed by real estate. To put these numbers in perspectives in the last eight years, we have disbursed over ₹ 1 lakh Crore

of home loans to over 4 lakh home loan borrowers with an average ticket size of approximately ₹ 25 lakhs. In the same period, we have disbursed about ₹ 4,4000 Crores of retail LAP loans to over 60,000 companies', small businesses at an average ticket size of just under ₹ 75 lakhs and we have contributed to the country's housing stock by disbursing nearly ₹ 60,000 Crores loans to developers, etc. Thus, we see a unique opportunity for Indiabulls to emerge in this space which is getting vacated and to achieve the same we are focusing on creating dedicated separate structures which will enable co-lending to capture the retail opportunity where on an incremental basis we are generating 3%+ ROA and the wholesale loans were historically through the cycle and you are well aware now that we are at the positive end of the cycle, through the negative end and through the entire cycle we made a 5%+ ROA on the developer loans. So the endeavor is to create an organizational structure which is giving us an opportunity to capture both of these opportunities, which are the 3%+ ROA retail opportunity and the 5%+ ROA wholesale opportunity. By doing so successfully we expect that our current ROE which is under 10%, should double to mid-teens by FY2026.

What is also helping is the fact that over the last three to four years as an outcome of various regulatory changes, the difference in regulation between housing finance companies and non-bank finance companies has largely been harmonized. So today the company can work on a plan of reorganization without any financial or operational disadvantage as a result consolidate its balance sheet into one large NBFC, focused on asset-light retail origination engine, disbursing home loans and retail MSME loans.

This reorganization will result in a great consolidation, enhancement of capital levels, a reduction in gearing, all of which will give great comfort to our lenders and rating agencies, and I will explain this point in a minute. This will also lead to a simplified structure, reducing compliance requirements of multiple entities and improved transparency and governance standards. Especially, as we look to fold in all non-operational subsidiaries of the company as well. All of this is obviously subject to the requisite approvals from shareholders, lenders, regulators and the other statutory approvals. We are essentially taking advantage of the harmonization of the various regulations and ensuring we have NBFC structure where we can do MSME and LAP loans and an AIF structure which will allow us to continue to work on the opportunity around the wholesale loans.

Now to just put this in perspective, the local lenders which is banks which are our primary source of capital look at lending to us. They do not look at consolidated numbers they look at standalone numbers. Indiabulls Housing standalone capital adequacy is 23% with a Tier-1 of 18.6% but once we go through this exercise of consolidation then our capital adequacy rises to 31% with a Tier-1 of 26.6%. Obviously this higher capital adequacy and Tier-1 is

going to look more interesting and solid to any entity which is focused on lending around these numbers, which is essentially our banks.

In parallel we are also undertaking a rebranding exercise. The company over the last three years has walked a path of changing its governance framework and as we do the reorganization of our business and the entities involved we want the name of the company and the entire corporate identity to resonate with our lenders, with our rating agencies, the various other stakeholders, with our customers as well as with our employees and it should also reflect the mortgage backed products which are being offered by the company especially as the company expands into the hinterland. Subject to requisite regulatory and statutory approvals we expect the new brand to be unveiled in about 120 days.

Now getting on to the operational path, I will go through FY2023 and Q4 numbers. Please refer to slide #3 of the earnings presentation

- As I mentioned our AUM and loan book has stabilized and marginally gone up, the balance sheet and the loan book have marginally gone up quarter-on-quarter.
- Our net interest income is standing at about ₹ 3,089 Crores versus ₹ 2,752 Crores for last year. This growth was supported mainly by income from the asset-light model and sale of investments.
- The profit after tax was marginally lower about ₹ 50 Crores lower, basically on the back of the increased opex that we did on people and branches of approximately ₹ 86 Crores.
- So even though year-on-year the book declines we were able to preserve our margins to make sure that our pre-provisioning operating profit came in strong at ₹ 2,270 Crores versus ₹ 2,019 Crores and as I explained because our opex increased by 12% to ₹ 819 Crores versus ₹ 733 Crores, it had a marginal impact on our net profit for the full year.
- Retail disbursements were up from ₹ 3,000 odd Crores last year to almost ₹ 8,000 Crores this year.
- The net interest margin is at a strong 4% and the ROA has expanded to 1.4%. Asset quality has been stable, and I believe this is one of our biggest victories of FY2023 besides the scale up in the retail business.
- The gross NPAs on percentage basis are the lowest over the last six quarters, on absolute value basis are the lowest over the last 12 quarters at ₹ 1,918 Crores. Net debt to equity is very, very nominal at 2.2 times only and the consolidated capital adequacy is at over 31%.

Now please refer to slide #6 of the earnings presentation which lays out our strategic focus areas going forward and the action points within each.

Retail lending will continue to be our growth engine. Along with our banking partners we will continue to grow the retail AUM in the asset-light model by originating under co-lending arrangements and also selling down loans. At the end of FY2023 the contribution of CLM which is co-lending and loan sell downs, increased to 34% of our AUM versus 10% in Q4 FY2018. We continue to sustain the 3% ROA through last year even though we scaled up and the high-quality assets that we are originating will ensure sustainability of this business such that we can reach business volumes which will generate an ROE in the mid teens 14% to 15% against the 7.7% where we are at right now thus doubling the ROE. We will also, through FY2024 and FY2025, continue to expand our reach and continue to hire people. We have added almost 15% to our workforce and 30% to our branch network last year and we will continue with that exercise through FY2024 and FY2025 also. That cost-to-income through these two years will remain at 20%+ but by FY2026 it should start coming down which will help us in the ROE target that we are setting up about 15% for FY2026.

The de-risking of the legacy wholesale book would continue that book continues to run down. This book has performed extremely well for us, and it has been a 5% ROA asset class for us. In the last five odd years we have also built a pool of over ₹ 10,000 Crores of non-performing and written-off loans from the wholesale book. The good thing is in these last five years we have already recovered ₹ 2,500 Crores out of this ₹ 10,000 Crores pool and over the next six quarters this is very, very important, over the next six quarters, we are now confident that we will recover another ₹ 2,500 Crores so of the ₹ 10,000 Crores ₹ 2,500 Crores is already recovered and on the basis of the success we are confident that in the next six quarters itself over the next one-and-a-half years we will recover another ₹ 2,500 Crores.

There are other provisions and write backs which are expected totaling to a provisioning implied provisioning cover of around ₹ 6,500 Crores which covers our gross NPA 3.4 times and if you look at a combination of our stage 2 and stage 3 loans then we have an implied provision of 88%. So not only is the capital adequacy very, very high at 31%, the provision coverage is much more than comfortable.

The ALM liquidity management has been something which the company has been focused on. We have been talking about a rock-solid balance sheet with adequate capital buffers and liquidity buffers and we continue to proactively manage our ALM. The company had created a reserve fund to repay \$270 million of ECBs which are due later in August this year as well as \$170 million of FCCBs assuming that they will be put on us due in FY2024-FY2025. We have already deposited two tranches amounting to ₹ 966 Crores which represents 50% of the total repayments for the ECBs and an initial tranche of ₹ 314 Crores which represents 25% of the repayment for the FCCBs. We will continue with this

practice as we did then we had to repay our dollar bonds last year which we very successfully did, and this type of a buffer creation will continue as a practice for all such instruments where we are not allowed to prepay at our choice.

The other area of focus is the **institutionalization** process which is an endless process in some ways. We are reaping the benefits of that and now with the depromoterization behind us we would like to start moving forward on various other aspects of ESG and continue to improve our various goals and scores and in true letter and spirit become a more environmentally and socially responsible financial institution with high standards of corporate governance.

If you can now, please turn to slide 7#

We are sourcing now close to about over ₹ 800 Crores of loans per month which allowed us to disburse for the full year ₹ 7,800 Crores. For this year our goal is to disburse at least ₹ 12,000 Crores. We will retain only 20% of these loans and we are fairly confident that we should be able to grow this to ₹ 12,000 Crores this year given the fact that we have already over the last year-and-a-half or so disbursed over ₹ 11,053 Crores through this model. We are fully focused on maintaining asset quality right at the start where we focus on loans with a high CIBIL score which is reflected in the 90 days past due of this pool which is below 0.10% which is 10 basis points.

We have standardized our policies, processes, documentation, etc., across all of our partner banks and our eventual objective here is to have a co-lending marketplace tech platform where we source loans which are made available seamlessly to all our partner banks on this platform. This will vastly improve efficiencies, which will result in higher ROAs and support the ROE goal that we have set for FY2026.

Now moving on to the ALM management, which is detailed on slide 8#

We carried liquidity which is cash of approximately ₹ 4,500 Crores this excludes sanction but undrawn lines. As access to funding has eased, we have rationalized our on-balance sheet liquidity to minimize negative carry. The ALM is shown on a cumulative basis up to each bucket. We are positive across all buckets and will have a positive net cash of ₹ 6,833 at the end of the first year. Our detailed 10-year quarterly ALM is in the appendix slide on slides 20 to 24.

As per the RBI's master direction for housing finance companies, we are mandated to maintain a liquidity coverage ratio of high-quality liquid assets as have been defined by the

RBI which even exclude banks' fixed deposits against the desired 60% we are at a comfortable 108%.

What is very interesting is that since September 2018 we have repaid debt and securitization liabilities of over ₹ 1,52,242 Crores on a gross basis and over ₹ 70,000 Crores on a net basis. This is probably the largest debt repayment by a corporate entity in India across both financial and non-financial companies and this in some ways is reflective of the quality of the portfolio we have built and also our approach to asset liability management. We will continue to adopt this conservative approach towards ALM management. We do not assume any sort of refinance be it domestically or internationally while we seek refinance, we do not assume so and that is how we build our ALM. As we move forward, we will continue to maintain strong capital and liquidity buffers to provide both comfort as well as confidence to our bondholders and this entire exercise of reorganization will provide greater capital buffers for our local bankers.

Now moving on to slide 10# on asset quality

Our gross NPAs were at ₹ 1,918 Crores which translates to 2.86% and net NPA is at 1.9%. As I mentioned earlier asset quality is steady. Our gross NPAs are the lowest they have been for six quarters, in absolute value terms they are the lowest for 12 quarters. This is despite being becoming fully compliant last year with the RBI circular on NPA recognition based on daily DPD and these NPAs will not be regularized unless all overdues are repaid. At the end of March 2023, our stage 2 loan assets declined to 8% of our AUM compared to 31% of our AUM at the end of Q4 FY2022. Reduction in stage 2 loans is due to strong repayment traction as well as on the back of the pickup in the real estate sector.

Between the provisions we carry and our conservatively estimated recoveries over the next three years and some other releases we carry imputed provisions of 12.1% of the loan book or ₹ 6,559 Crores which covers our gross NPA 3.4 times and our stage 2+3 loans by 88%.

So, to quickly put all of this together our retail asset-light strategy has proven to be a game changer for us and has been able to create a nimble and high ROA retail ecosystem. We are back to being the third largest non-bank originator of retail mortgage loans in the country and soon shall go up to being the second largest. The wholesale book is showing strong repayment traction which also aids recoveries from previously written-off loans and represents a very interesting opportunity of partnering with foreign institutions to cater to the incremental requirement that this segment has of debt capital. Between rundown and wholesale loans and growth in retail AUM and our strategic imperatives it is appropriate that we track on our retail disbursements and our CLM and sell down in the overall liability mix this is something that I had requested last time also and as I said we have already expanded

the contribution of this to 34% up from 10% at the end of FY2018. We expect the ROA which is currently at 1.4%, to continue to expand in the direction of 3% which is where the flow of loans is happening and as that happens over the course of the next two to three years by FY2023 the ROE will also expand to about 15%.

Now just to put some numbers in perspective: Over the course of the last five years our balance sheet which was at the end of FY2018 at ₹ 1,32,000 Crores has rundown by 43% to ₹ 57,000 Crores and that is the quantum of repayment that we have done so the balance sheet is now at about ₹ 75,000 Crores down from ₹ 1,32,000 Crores. This has all happened by loans coming back and is thus reflective of the asset quality of our borrowers to whom we have given loans as of FY2018 and thereafter. Loan AUM is down by ₹ 54,000 Crores again by about 45% but what is interesting is that despite the facts that we have done a ₹ 10,000 Crores classification of loans as either NPAs or technical write-offs, our network has gone up 30% in the same period by over ₹ 4,000 Crores from ₹ 13,400 Crores to ₹ 17,316 Crores. Even last year from March 2022 to March 2023 the network has gone up by over ₹ 650 Crores, while our balance sheet was still down by about ₹ 7,000 Crores. So, net-net the important thing is that despite NPAs which were down despite the cleanup that we have done and the recoveries which have happened, we are still expecting further recoveries of ₹ 2,500 Crores in the next six quarters and this enhancement in net worth and this management of asset quality has happened in an environment where we have undergone 15 inspections by regulators and other statutory auditors. Since October 2019 we have been going through a concurrent audit by our lenders of every rupee in and out of the company. We have fully adopted a much stricter NPA recognition and upgradation policy. We have gone through COVID, we have gone through a period of unprecedented liquidity squeeze for non-banks as well as the real estate sector and despite that not only have we increased our net worth by ₹ 4,000 Crores we continue to recover and recover handsomely and year-on-year we have grown our retail disbursements to 2.5 times. We have gone through a perfect storm much more than the most stringent stress test and believe now that FY2024 should be a period where we reorganize, rebrand and restart the growth journey such that we can get back to a respectable ROE over the course of the next three years. Through this period and even recently our engagement with the rating agencies continues to remain positive. All of them have only recently revalidated our ratings.

To conclude, as we shift further and further towards co-lending on the retail engine scales up, we believe there is a large opportunity of doing co-lending on the wholesales side also and we are creating dedicated vehicles for that. We believe Indiabulls Housing having done scaled up business of home loans, LAP loans as well as wholesale loans is in a unique position amongst NBFCs to take advantage of the emerging opportunity and thus we should be able to grow our retail AUMs, we should be able to grow the assets and the management of our AIF and target a 3%+ ROA very shortly.

This was the update for the quarter. We are now open for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Craig Elliot from NWR. Please go ahead.

Craig Elliot: Good evening, Sir and thank you. Congratulations on the excellent results. I am especially excited about the turning point that we have got up in this previous year and the growth in the new business more than makes up for the rundown of the legacy business so congratulations especially on that. My question has to do with slide 10 the asset quality is excellent, and we talked a lot about the old book I see that we are now seeing about 0.1% delinquency 90 plus days what do you think that number looks like through an entire cycle higher, lower or how do you perceive things developing things?

Gagan Banga: Yes, thanks Craig for the kind words. To answer your question the way that through the cycle the retail asset typically performs is that in about five years from origination home loans will settle at somewhere between 1% to 1.5% of the disbursed amount as NPAs and retail SME loans will be about 100 basis points higher to that but these are 90 days past due numbers at peak and then the recoveries start and eventually the loss given default is only about four to five basis points since all of these loans are secured and the recovery process takes about 12 to 18 months after the loan gets classified as an NPA. So what is 10 basis points this is on concurrent basis. If you look at it on a static basis this will probably be closer to 20 basis points, this is a book with a blended average of about 12 to 14 months on our book. By the time it is 60 months on book it will get to between 100 to 150 basis points and then we will start the process of recovery on the static book, and we will start recovery.

The wholesale piece where we are not incrementally doing a lot of business, we are doing only a little business through the AIF there typically the delinquencies will go much higher they will go as much as 7% to 8%, loss given default will be about 1.5% to 2%, but as I said there the pricing power is such that you still make about 5% ROA. The ₹ 10,000 Crores of write-offs and NPAs that we took we expect that through the cycle over the next further three years or so the total recovery will be between 60% and 70% of that 25% has already happened over the next six quarters 25% more will happen. We got delayed by almost three years in the whole process because for three years, two years of COVID and then certain forbearances continued by the courts, etc., recovery proceedings practically came to a standstill since the Repossession Act in India was put on in a band but it has been about eight months that we are being able to again restart all the recovery proceedings and we are already seeing a good traction on that so these are broadly the numbers which will play out through the cycle. I hope I have answered your question.

- Craig Elliot:** Thank you very much and all the best.
- Moderator:** Thank you. The next question is from the line of Rishikesh Oza from Robo Capital. Please go ahead.
- Rishikesh Oza:** Thank you for the opportunity. Sir, my first question is regarding the loan book growth. So when exactly will we see the loan book regrowth stop at some point and how can we grow the loan book in FY2024 and FY2025?
- Gagan Banga:** So, my sense is that by the Q3 of this fiscal year, the next two quarters our retail disbursements will average at about a disbursal of about ₹ 800 Crores to ₹ 900 Crores a month in the second half it will average at about ₹ 1,300 Crores to ₹ 1,400 Crores a month. The moment it goes about ₹ 1,200 Crores to ₹ 1,300 Crores or higher per month we will start regrowing, net off the money that come back from retail as well as on the wholesale side so for that to happen unless we get some opportunity of being able to very profitably do some large scale disbursement for which we can also raise the right kind of capital which will not come from banks which has to come from other sources on the wholesale side so apart from that which is more opportunistic at this age and not strategic over the next six months I would imagine that we will be flattish in the next six months. From a sharp decline we have kind of flattened out over the last six months. Over the next six months we should remain flattish and in the second half as we reach disbursal numbers of about ₹ 1,200 Crores to ₹ 1,300 Crores a month, we should be able to start growing on a net basis. Now if the co-lending platform on the AIF side is to grow to the level that I fully see that the opportunity is there then this can happen much faster perhaps by a quarter or so not that much faster. It is something that we will start working on in terms of net disbursals in Q1 itself we have done small business in FY2023, whatever we did in FY2023 we will do as much as that in Q1, Q2 we will accelerate more and then by Q3 some of the partnerships that we have stuck even on the wholesale side should start approving the loans that we are proposing to them. The typical approval cycle by a fund for any wholesale type of a loan is around two months and then the paperwork takes about two months, so we know exactly what we are going to disburse by June. We even know what we are going to be disbursing in July and August so that pipeline is already ready and it is on that basis that I am giving you all of this guidance. So net-net first half of the year we should be flattish, second half we should be growing on a net basis and once you do start doing that then obviously FY2025 we will grow further.
- Rishikesh Oza:** Thank you Sir. Sir, my second question is with regards to dividends so can you like give an update on dividends, can we like expect dividends in this financial year?

- Gagan Banga:** We are now technically able to give dividends even for FY2023 but it is a matter that has to be first is a technical qualification then the matter has to be taken up by the Board and subsequently by the shareholders for a final dividend to be declared in the AGM so the only update I can give to you is last year we were not technically enabled since we had dipped into the reserve. This year also we had dipped into the reserve but we are still technically enabled given the various calculations but the decision has to be taken by the Board and subsequently by the shareholders so we will discuss this in the Board and if the Board so approves then it will be put up to shareholders for a final dividend.
- Rishikesh Oza:** Thank you Sir.
- Moderator:** Thank you. The next question is from the line of Elesh Gopani from Gopani Securities And Investments Private Limited. Please go ahead.
- Elesh Gopani:** Thank you for the opportunity. I want to ask the question this reorganization can we not end up with big financial partner and grow the business fast and since there are no promoters now so can we not search a good promoter and enhance the business?
- Gagan Banga:** Yes, so the whole idea of the reorganization is to be able to have specific entities, one which is pursuing a retail business and another which is pursuing the wholesale business. We would need strong financial partners on the whole sale side. On the retail side we already have financial partnerships in terms of banks, which are providing us the capital on the co-lending side, and it is a question of putting one foot in front of the other we run a listed company, so we have to make our investments in people and branches in a calibrated manner. We can only allow our opex to go up by so much. It is ultimately a human-based business and human beings take a certain time to understand policies and processes to become productive so all of those lags one has to bear so it is not that I can make 5,000 people, 10,000 people and the business will double from tomorrow morning. It has to be done in a calibrated manner. Some of these partnerships are in play for the wholesale side on the retail side they are already in play. As far as equity partnerships are concerned if you have a structure which is very dedicated and focused you obviously become interesting to people who are looking at a specific opportunity. Some people are more convinced about the retail opportunity in India and some others around the wholesale opportunity in India, so we have created a structure and we have also built a track record. We have become without a promoter. Management team does not feel it needs a promoter. Financial partnerships are something that we will be equity or debt we are certainly open for. If there is anything which is more specific, we will obviously inform you, but we are obviously taking feedback from the various investors who already either own us or have in the past owned us and we are doing all of this reorganization basis the feedback such that the structure becomes more investable.

- Elesh Gopani:** Thank you Sir.
- Moderator:** Thank you. Ladies and gentlemen, we will be taking the last two questions. The next question is from the line of Kayur Asher from PNB Metlife. Please go ahead.
- Kayur Asher:** Thank you. Thank you for the opportunity. Sir just wanted to understand if you could talk about the progress on the liquidation of the wholesale book. Where we are on that front and if you could quantify the size of the residual wholesale pool and what is the target that we are setting for the coming quarters? Thanks.
- Gagan Banga:** So the liquidation process which we started I think more or less is now done. We do not have to liquidate a lot, another other maybe ₹ 4,000 Crores to ₹ 5,000 Crores on net basis is something that we will look forward to doing through the course of this year but at the same point in time that kind of disbursement we would like to see happening from the AIF and through the second half or the Q2 and the Q3 itself should materially produce some of these numbers. So I think as I mentioned a short while back there is no gross reduction in anything which is happening. We have to just make sure that the correct pool of capital is backing the right asset and what is very clear for me is that debt capital cannot back wholesale lending done by the company. It has to be done in a more specific and dedicated vehicle which we have created, we scaled up, we have generated returns there and so on so we are confident that that track record is getting us partners and will continue to get us partners We have also done transactions of over ₹ 15,000 Crores to ₹ 16,000 Crores with various global funds over the last three years and they have seen the success of those portfolios so that additional bit of traction which comes by people lending out money and receiving their monies back. So my sense is the numbers are not going to be very significant going forward. There could be one or two chunky loan repayments which come back but aside of that it is more or less normalized now and which should allow as soon as our retail disbursements scale up by another ₹ 300 Crores to ₹ 400 Crores net growth is to start happening.
- Kayur Asher:** Thank you.
- Moderator:** Thank you. We will take the last question from the line of Ca Kanwaljit Singh from Balaji Infin Investment. Please go ahead.
- Ca Kanwaljit Singh:** Good evening. My question is regarding how many recoveries that you have made on the wholesale book in the current quarter and is there anything to be recovered from the previous promoter?

Gagan Banga:

We have never lent to the previous promoter, we have no debt issuances to the promoter or any of his companies in which he is a promoter. The erstwhile promoter incidentally till the time that he was a promoter to the best of my knowledge anyways did not have any debt. As far as recoveries are concerned, I think last year we recovered about ₹ 600 Crores. In the three years prior to that we recovered about ₹ 2,000 Crores and as I mentioned in the next six quarters, we expect to recover another ₹ 2,500 Crores fairly steadily over each quarter so about ₹ 400 Crores to ₹ 500 Crores per quarter including Q1 is the expected recovery that we hope to see.

Yes, thank you everyone for attending this call and thank you for your support. As is evident we are doing fairly well and now step-by-step we are also moving in a direction where we can start to materially enhance on our franchise so as we do that we will be in touch and look forward to seeing you next quarter. Thank you.

Moderator:

Thank you very much. Ladies and gentlemen, on behalf of Indiabulls Housing Finance that concludes this conference. Thank you all for joining us. You may now disconnect your lines.