



“Equitas Holdings Limited  
Q3 FY2020 Earnings Conference Call”

January 31, 2020



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**Moderator:** Ladies and gentlemen, good day and welcome to the Equitas Holdings Limited Q3 FY2020 Earnings Conference Call. We have with us today, Mr. John Alex ED and CEO, Equitas Holding Limited, Mr. P.N. Vasudevan – M.D and CEO, Equitas Small Finance Bank Limited; Mr. Sridharan N -- CFO, Equitas Small Finance Bank; Ms. Srimathy Raghunathan -- CFO, Equitas Holdings Limited; Mr. H.K.N. Raghavan -- Senior President, Inclusive Banking and Vehicle Finance; Mr. Murali Vaidhyanathan, President and Country Head, Branch Banking, Liabilities, Product, and Wealth, Mr. Bhadresh Pathak, President, SME Banking, Mr. Ram Subramanian -- Head Corporate Banking; Mr. Alok Gupta -- Chief Risk Officer; Mr. Natarajan M -- EVP, Treasury; Mr. Dheeraj M – Head Strategy and IR. 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 telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. John Alex. Thank you and over to you Sir!

**John Alex:** Very good morning to everyone. Welcome to the Equitas Holdings Q3 Earning Call. We had a good quarter our total income for nine months for FY2020 was at Rs. 2,131 Crores compared to Rs.1,738 Crores in nine months for the year 2019. I would like just to add that in tandem with this rapid growth, Equitas has deployed a wide range of social initiative to ensure comprehensive development of low-income households that is serves through a host of interventions. Around one Lakh beneficiaries during the quarter attended health camp we provided 3,000 free spectacles and conducted about 600 cataract operations. We helped placed around 9,700 unemployed youth to improve the income of the families, conducted 71 financial literacy camps in rural areas along with NABARD and RBI on digital literacy.

Notable to mention here that Equitas was awarded the national CSR award in October 2019 for the year 2019 by Ministry of Corporate Affairs, which oversees the CSR mandate. Another notable point is that Equitas allocates about 5% of its profit to do all the CSR initiative. Now I would like to invite Mr. P.N. Vasudevan to provide the commentary on the banks performance.

**P.N. Vasudevan:** Thank you Alex. Good morning to all of you and thank you for dialing into our call so early in the morning. As you are aware we have filed the DRHP for the upcoming IPO and this DRHP was filed on December 16, 2019 and we are awaiting SEBI clearance for the same and since we are in the IPO stage we are not expected to give any guidance or talk anything about the future so we would also request that in Q&A session we would request that to kindly restrict your questions only to the last quarter and really do not ask us about the next quarter as we will not be in a position to answer the same.



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During the quarter, the bank also did a private placement and raised Rs.250 Crores of primary capital. On the business front, the bank continues to do well, advances grew 37% year-on-year, net income grew 23% year-on-year and PAT grew by about 51% to 94 Crores. Cost-to-income improved by 280 basis points, last quarter it was 69% that has moved down to about 66.2% in the last quarter. Cost of funds on quarterly average basis was at 7.96% compared to 8.23% in the previous quarter. Return ratios also saw improvement with ROA at 2.11% and ROE at 14.86%. It is notable that after becoming a bank this is the first quarter where the ROA of the bank has actually crossed the 2% level. Our portfolio is now well diversified and brings a lot of stability to the bank. Small business loans, which are secured by house property and is targeted to serving the unserved and underserved segment constitutes around 40% of our portfolio and continues to see a strong growth. 60% of our customers in small business loans are new to credit, which signifies a significant untapped potential of this segment in the markets that we serve.

Our second largest portfolio is vehicle finance, which grew 32% year-on-year. New commercial vehicles have grown to 29% of the total commercial vehicle book. We have signed up as preferred financial with many commercial vehicle manufacturers in the country. As you are aware in the new commercial vehicles, we are financing currently only the light commercial vehicles and the small commercial vehicles. We have not started financing the heavy commercial vehicles yet in the new commercial category. The sale of new heavy commercial vehicles has actually fallen by about 37% for the nine months in December 2019 while the sale of light commercial and small commercial vehicles have fallen by about 11% and 9% respectively. This indicates that availability of goods for long haul are probably less than what it used to be leading to a demand drop in the new heavy commercial vehicle while availability of goods for the intracity and intercity transportation is probably not much affected as can be seen by a much lower drop in the sale of LCVs and HCVs. In our used commercial vehicle financing, we continue to monitor the portfolio closely, we continue to take sufficient proactive steps to ensure that quality of assets, and net earnings are protected.

Moving on to micro finance, in Maharashtra specifically in four districts we saw some issues last quarter primarily due to the floods, which took place in some parts of Maharashtra last quarter and also some political disturbances. In the rest of the country where we operate, which is basically South, West, and North we do not see any sign of any risk building up at this point in time. As indicated in the last quarter we have started cross selling recurring deposit to our microfinance customers, we have now more than 3 Lakhs microfinance borrowers who have availed of this recurring deposit scheme with us.



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The corporate and MSE finance continues to see growth. Corporate loan which is primarily lending to NBFCs has grown to about Rs.760 Crores while the MSE working capital loans have grown to about 560 Crores by end of last quarter.

On liabilities our focus on retail term deposit continues, retail deposits has touched Rs. 3,000 Crores and overall deposit including CD crossed Rs. 10,400 Crores. We recently launched Equitas Elite, which is a priority banking and wealth management program and the initial response has been good with about 1,700 customers being enlisted within a couple of months of the launch. The CASA balance remains flat over the last three quarters while the retail TD has grown well. During the quarter, the bank focused heavily on below the line activities for late generation across the branch network on liabilities. Several activities were conducted in the quarter at branch catchment areas. The bank will continue to invest in these activities in and around the branch catchment area to promote the brand awareness and brand recall within the local community where the branch is located.

I would also like to introduce Mr. Murali Vaidhyanathan who has joined as President and Country Head, Branch Banking, Liabilities, Product, and Wealth, earlier he was associated with banks such as Kotak, ICICI and Citi Bank.

On our digital and alternate business, the bank's APA library is ready to extend nearly about 100+ API to our services such as payments, account opening, and other value added services.

During the quarter, we have issued around 80,000 FASTag stickers of which 5,000 were issued digitally through our selfie FASTag portal, which is an online portal where people can login and order a FASTag online and it gets delivered to their house directly by courier. We also got NPC approval for acquiring of toll plazas as an acquirer of the FASTag and we have just completed a POC with a toll plaza in Mumbai.

With this, I would like to hand over to operator and will be happy to take questions from your end. Thank you and back to you.

**Moderator:**

Thank you. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Manish Ostwal from Nirmal Bang. Please go ahead.

**Manish Ostwal:**

Thank you for the opportunity. I have question on our slippages trend for the last few quarters. I am referring slide #23 so there has been steady increase in slippages over the last four to five quarters so can you tell us which are the segments contributing to the slippages and secondly what is our assessment of the book in terms of slippages trend?



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**P.N. Vasudevan:** There has been an increase in the slippage in the last quarter. I will hand over to Raghavan shortly to give you further details on that, but generally what we see is that the level of slippage is fairly in line with the level of growth in the advances so that is not causing so much of a concern from our end and we do not see any particular stress points across any of our products, but I will hand over to Raghavan to give you a specific idea in terms of the slippage of the last quarter.

**HKN Raghavan:** The slippages if you look at over Q2 to Q3, it is around about Rs. 18.66 Crores gross and while looking at the product wise, we had issues as MD was talking about issues that we had in Maharashtra especially in micro finance there is new entrant, otherwise it is quite stable and this was driven by political issues in the district of Malegaon and then Dhule and Pachora. There are three districts where we had slippages in microfinance and widely you know that Kolhapur and then Sangli are the two districts, which are heavily impacted due to the floods and because of which there has been an increase in microfinance, but other product wise look at it is in line with whatever it was there in the couple of last quarters, which is there.

**P.N. Vasudevan:** Also if you see on the net slippage basis in the last three quarters it has hovered around the Rs. 40 Crores level so somewhere part of it gets required and some of the very old ones get written off, but many of them get record and the net slippage has remained kind of flat over the last three quarters.

**Manish Ostwal:** Sure Sir. Thank you very much and all the best for the IPO.

**Moderator:** Thank you. We take the next question from the line of Anand Singh from Unifi Capital. Please go ahead.

**Anand Singh:** Thank you for the opportunity. Sir with regards to the microfinance portfolio mentioned some districts of Maharashtra had some trouble with regards to any other states such as Karnataka have you seen any emerging signs of trouble?

**HKN Raghavan:** In Karnataka currently if you look at the issues that is in coastal Karnataka, which is Mangaluru, Udipi, and Kundapura that belt has been affected due to some political unrest there where we do not operate we do not have any portfolio we do not have business there. Otherwise, in Karnataka where we have operated we have not seen any stress as of now.

**Anand Singh:** Sure and secondly about our overall performance in the quarter we had a legacy portfolio, which we were unwinding any particular commentary you can give on how that portfolio is panning out?



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**P.N. Vasudevan:** We do not have personal loan at all but we did have this unsecured business loans, which we stopped about a year-and-a-half back and that is running down so the NPAs in that are kind of stabilized and that is not growing any longer and over time we hope to recover some of it at least but that is the business that was dropped long back about a year-and-a-half back but otherwise there is no legacy book otherwise everything else is only current.

**Anand Singh:** Is it unwinding as you expected in the particular quarter or is it at a slower pace, at a quicker pace?

**P.N. Vasudevan:** Actually you know since we have not funding it for the last one-and-a-half years, it is still running down based on the repayments and it is now currently about Rs. 200 Crores and probably in another one year or so it may run down fully because it is typically three-year loan so another one year maybe it has probably time to go.

**Anand Singh:** Thank you. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Akshay Jain from JM Financial. Please go ahead.

**Sameer:** Hi, this is Sameer here. Thanks for the opportunity. Just two questions quickly. What is the number of TD customers right now?

**Murali V:** This is Murali here. In TD, you have to break it into two components, bulk and retail. So let us stick to retail at this point of time. Retail we have close to 13% of our total CASA portfolio who are having retail TD as the customer. So if you want absolute customer base we have five lakhs customers out of which close to 65,000 people are absolute retail TD customers.

**Sameer:** Okay and secondly when I look at the small business loans growth running at around 45%. Can you comment on whether the growth is from the newer 25 lakhs plus category or in the smaller less than 10 lakh type category loans?

**HKN Raghavan:** The category of growth in terms of product which is driven more by above 5 lakhs, 25 lakhs is lesser in the product mix it is between 5 and 15 lakhs. So the above 5 lakhs ticket sizes are in growth, which is a smaller ticket size, is growing at 10% to 12%.

**Sameer:** Less than 5 lakhs is growing at 10% to 12%?

**HKN Raghavan:** Less than 5 Lakhs I just correct it, it is 20%.



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- Sameer:** Yes, that is growing at 20% okay. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Shiva Kumar from Unifi Capital. Please go ahead.
- Shiva Kumar:** Thank you for the opportunity. Sir, can you give some sense on how you are managing the risks associated with the small business loans category because we see that there is an uptick in the GNPA trend over there so given the current economic trends do you see new risk emerging there and how you are managing the current book and even the growth going forward?
- P.N. Vasudevan:** So the small business loans as you know spans right from Rs.50,000 to Rs.25 Lakhs that is the span of the product and that is principally addressing self-employed people in the informal economy. So there is obviously certainly level of risk in that because they are informal so you do not get too much of documentary evidence of their income, etc., so there is lot of cash flow based credit assessment, which is required to be done and that can lead to certain level of risk if you do not do that properly so that is something that we have been doing now for about 8 years since 2012 we launched that so it has been about 8 year business for us and some of this credit processes and there is a lot of operating risk in the business also, so we are putting a lot of control metrics to manage both cash flow based credit risk assessment and operating risk, which follows from that and if you see our NPA for the small business, our average loan ticket size for entire small business loan put together which is 40% of our book the average ticket size is somewhere in the range of around 6 to 7 lakhs that is our average ticket size and as you know in the market for that kind of a product the NPA levels probably are at a certain level for the market but our NPA touchwood have continued to be extremely good, on overall basis the small business loan NPA is under 2%, which we believe is very good. How sustainable is that going forward I would not want to comment except to say that there is a lot of effort from our side to try and contain it within certain acceptable levels, but such a business from an inherent risk perspective is priced with an assumption of NPA of around 4%. Right now of course it is much less than that but it is priced from a perspective of inherent risk if you look at it. It is actually assumed to be a product with about 4% NPA so that is basically the nature of that business.
- Shiva Kumar:** Sir, what explains the improvement in the NIM per se, the spreads have also increased right on a sequential basis?
- P.N. Vasudevan:** There is a small reduction in the cost of funds also during the quarter so that has probably led to the increase in the NIM.



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- Shiva Kumar:** Thank you Sir.
- Moderator:** Thank you. Next question is from the line of Rohan Mandora from Equirus Securities. Please go ahead.
- Rohan Mandora:** Thanks for the opportunity. On the customer deposit like sequentially the growth has been subdued and even on the CASA in nine months the growth is not coming up, so anything if you could just share the comments, even the customer deposit growth was weak?
- Murali V:** We have grown focus on retail TD. We have focused on number of customers to be coming in as a strategy so if you see retail TD percentage has gone up by 153% so the issue was there on CASA growth it is sequential, we have earlier used to host CASA TD type we have taken the route that we enter with the customer through TD and then now we will grow CASA. So in this again we have grown the TD portfolio very well.
- Rohan Mandora:** Actually how was the customer addition in the retail TD, can you provide some numbers on that?
- Murali V:** We have close to if you say recurring deposit close to 3.5 to 4 Lakhs customers and on retail TD basis 13%, as I said close to 65,000 customers we have added.
- Rohan Mandora:** This is addition during the quarter?
- Murali V:** No, this is addition during a period of last two quarters.
- Rohan Mandora:** Sir, on the IBPC the 650 Crores of portfolio, which we have sold what is the nature of this?
- Natarajan M:** Basically, these were non-priority sector, nonpriority sector loans we sold.
- Rohan Mandora:** Sure Sir. Thanks.
- Moderator:** Thank you. The next question is from the line of Nidhesh Jain from Investec Capital. Please go ahead.
- Nidhesh Jain:** Thanks for the opportunity Sir. Sir firstly on operating expense the employee cost is grown 27% Y-o-Y and 7% to 8% sequentially, any explanation why there is a sharp growth in employee expense?
- Sridharan N:** The employee expense has gone up as there is an increase in the employee growth form Q1, Q2 by 328 people and we have given in the slide #14 and Q2 to Q3 247 people so the thing



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is that whatever in Q2 people who have joined full cost will have an impact on their Q3 as well as people joined during the quarter in Q3.

**Nidhesh Jain:**

Sure, the other opex has also grown quite well on a sequential basis?

**Sridharan N:**

Other opex also it has gone up by Rs. 13.28 Crores actually. Basically one is the expenses in relation to volume in the growth of business across this one actually all the expenses.

**Nidhesh Jain:**

Secondly if I look at the disbursement growth it has picked up quite well in this quarter while the slippage run rate is also high in Q1 and Q2 we were slightly cautious on the macroeconomic environment so what has given us confidence to grow in this quarter specifically especially when we are hearing quite cautious voices from other peers and banks?

**P.N. Vasudevan:**

If you look at it there is lot of floods in different parts of the country towards the end of the first quarter and the beginning of second quarter a lot of floods in different parts of the country I think that really did have an impact on the disbursement of ours. Of course, there was an election during the first quarter so obviously some of our businesses like microfinance we do tend to slow it down during the phases and also typically the first and second quarter are seasonal from a commercial vehicle business so there is some seasonality, which is always something that we will see in the first two quarters and third quarter typically one is of course the monsoons are over practically everywhere in the country and then the festive season and typically things do pick up in the third quarter so it is a kind of I would say following general trends in the market.

**Nidhesh Jain:**

On tax rate as well as PSLC your tax rate looks pretty low in this quarter, is it a sustainable run rate it is looking at around 19% to 20% for the quarter and on PSLC also we reported around 14 Crores of PSLC so do we expect more income to come in future or should we expect it a sustainable run rate or any commentary on that will be useful?

**Sridharan N:**

The first question on the tax rate actually if we recall we have moved to the new rates in Q2 and we have taken a write down on the DTA asset to an extent of Rs. 25 Crores and we have taken instead of taking a proportionate basis on a quarter-on-quarter basis we have taken the full hit in Q2 so the resulting thing is the benefits started coming in this will flow in the next two quarters that is Q3 and Q4. That is the reason the lower tax rate and second one on the PSLC Rs. 4.6 Crores out of the 18 Crores, which is sold will go to Q4 actually.

**Nidhesh Jain:**

Tax rate, we should expect this 20% tax rate or 25% tax rate because this quarter the tax rate looks very low at 20%



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**Sridharan N:** I am unable to comment but there will be savings in tax because of the new rates actually so it will be a little lesser than the 25% that is what I can say.

**Nidhesh Jain:** Thank you Sir.

**Moderator:** Thank you. We take the next question from the line of Pawan Ahluwalia from Laburnum Capital. Please go ahead.

**Pawan Ahluwalia:** Thank you very much. Just a question on the vehicle finance side, so the commentary we are hearing from a number of banks is that the portfolios there are experiencing some stress and we had the larger banks talk about M&HCVs and Bajaj Finance also said that in their smaller goods carrier loan portfolio they were seeing stress. Any commentary on what you are seeing and how that portfolio may evolve in the context of an economic slowdown and also you mentioned last time that you had a large number of borrowers who are basically CIBIL 0 and that the legacy book had a lot of first time users, but you were sort of moving down the risk of where a lot of the incremental lending was to people buying a second, third, fourth truck, how does the book breakdown say by CIBIL scores for the VF business and directionally should we expect to see that over time that business will earn lower yields, but the average CIBIL score will rise as you do more business with people buying second or third truck?

**HKN Raghavan:** First clarification is that the used commercial vehicle is a business, which is you become the driver profile who becomes an owner so there is no change as far as the approach is concerned and as you look at this particular business you will have drivers with 0 CIBIL score, they are first time borrowers so that will continue to be there as long as we are there in the used commercial vehicle so that is very important and that is the strength that we have. As far as the market is concerned, I would like to divide it into three segments, which is short haul, which is SCV 50 to 60 km radius, LCV is around about 200 to 300 km and then above 500, which is M&HV you look at it. So what we see is that as what MD was also quoting in the opening remarks is that we see a kind of stress in the M&HV business, which contributes roughly around now, around about 65% of the business and then the rest of the business contributes is short-haul vehicle, which is SCV and LCV. We are not seeing any stress as far as the SCV, then LCV as of today and it continues to operate, it is a local market that is what it is there, and in the product mix, we are looking at how we rather manage the product mix between M&HV and LCV and SCV. I think we have effected some changes in this which will continue to see some better traction in terms of the SCV and LCV and as far as interest rates are concerned used commercial vehicle is still not very sensitive to the interest rates and because as I said as it is you are funding the client for the first time so what is very important is that the behavior of the drivers are very important to



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become that, that is very, very critical and from a product perspective we are trying to look at the mix of the product.

**Pawan Ahluwalia:** So the product mix may change but it will still be heavily weighted towards the drivers who are the first time owners who carry zero CIBIL?

**HKN Raghavan:** That is where the business lies and here we have not seen that even today currently as we speak when we disburse loans to the driver's profile, CIBIL they come for the first time, 65% of the people they come for the first time and then buy a vehicle they do not have any CIBIL score at all.

**Pawan Ahluwalia:** Understood. Thank you.

**Moderator:** Thank you. The next question is from the line of M.B. Mahesh from Kotak Securities. Please go ahead.

**M.B. Mahesh:** Sir question for Sridharan. When you have a write off, which has been made in the portfolio does that account for an additional benefit on the tax rate or under the new tax regime, you cannot take this benefit?

**Sridharan:** Whenever we do a write off we have the benefit of the income tax, the 7.5% and additional benefit so we take the benefit under the write off when we do actually, in a provision, as you know it is only get into deferred tax element actually.

**M.B. Mahesh:** Does that partly explain why you have lower tax rate as well?

**Sridharan:** But it is only quarter-on-quarter basis, we calculate the tax rate on a quarter-on-quarter basis so every quarter whenever there is a write off that is annualized and tax rates are applied on an average basis.

**M.B. Mahesh:** Second question to Bhadresh if you just kind of explain how has been, you have done fairly well on the recoveries front this quarter as well as upgrades if you can just broadly comment as to how are you seeing it, when you are putting assets on the market for sale how has been the underlying environment and also when you are looking at the customer profile out here what is the general traction that you see in terms of revenue growth of the underlying customers?

**Bhadresh Pathak:** See as far as selling of the repossessed assets is concerned we have not had any opportunity to do it so far; however, just general comment we are adequately collateralized, we have more than 100% security cover on all over secured working capital portfolio. Now as far as



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the revenue growth is concerned if you see our composition there is 47% on the trading, 27% manufacturing and 27% services looking to the current environment we find more comfort in doing highly secured kind of a portfolio as the collateral coverage is more than 100% so that explains the composition of the portfolio so the growth is going to come from ticket sizes of 50 Lakhs to 1 Crore, that is the typical ticket size that we are focusing on. We are a little bit of cautious looking to the current environment on certain manufacturing sectors, which are a little high value as far as the working capital is concerned we are highly focused on smaller ticket sizes and building up granular portfolio with better collateral securities.

**M.B. Mahesh:** Just to clarify this, recoveries of 35 Crores that you have reported which segment is contributing to the most in this?

**HKN Raghavan:** It is both CV as well as small business loans.

**M.B. Mahesh:** Okay, perfect, thanks.

**Moderator:** Thank you. The next question is from the line of Anirban Sarkar from Principal Mutual Fund. Please go ahead.

**Anirban Sarkar:** Thank you Sir. My questions have been answered.

**Moderator:** Thank you. The next question is from the line of Praful Kumar from Pinpoint AMC. Please go ahead.

**Praful Kumar:** Congratulations on good set of numbers. Just one question is there any confusion in terms of the coverage ratio because in terms of DRHP being the reported numbers is there any disconnect there?

**Dheeraj M:** There is no change in the provision coverage. Just for some clarification the presentation is in line with what you have stated in the DRHP, so the GNPA numbers are on advances including the IBPC whereas NNPA is on advances excluding the IBPC which is why optically it looks like there will be some change in our provision coverage.

**Praful Kumar:** The coverage is stable Q-on-Q that is the way it is?

**Dheeraj M:** Yes, there has been no change in the PCR.

**Praful Kumar:** Thank you.



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**Moderator:** Thank you. We take the next question from the line of Jihan Bhada from Nirmal Bang. Please go ahead.

**Jihan Bhada:** Sir, you just mentioned on the MSE that ticket size is there you will be targeting of 50 Lakhs to 1 Crores and even in earlier calls you have indicated that this will be the growth area for the company so if you can just throw some light on what are those things which will differentiate our offering from the already many banks, which are offering such kind of products as well as NBFCs and the market seems to be crowded, so how will we be differentiating?

**Bhadresh Pathak:** See we find a lot of inefficiencies in that particular segment of sub 1 Crore ticket size so as far as certain categories of banks are concerned, which are weakened on account of their finances and they are in the state of merger we target the customers of those banks for takeovers. Our primary focus is on acquiring customers who are uninitiated to working capital so they are found in the NBFC segment wherein they would have borrowed something in the form of loan against property but they are now graduated into borrowing working capital finance, so these are primary two segments from where we are having our takeover strategy the weak public sector banks, the old generation private banks who have weakened plus the new to bank customers who are uninitiated to working capital. Now how do we differentiate is that we have dedicated relationship team in the field who are hand holding this customer and they are sort of mentoring these customers plus we have also set up a virtual relationship management unit, which is taking care at the portfolio level, which looks into the customer service request and service to this customers as well as takes care of the portfolio quality and underlying compliances in a remote manner. So digitization we are on track so we are acquiring customers and we have a loan origination system and we are making use of technology in managing the customers.

**Jihan Bhada:** Thank you Sir.

**Moderator:** Thank you. The next question is from the line of Akhil Jain, an individual investor. Please go ahead.

**Akhil Jain:** Thanks of the opportunity. I wanted to know the used CV loan book is about Rs. 2,500 Crores, how much is the loan book comprises finance of used vehicles close to 15 years old and there is a lot of talk about 15-year-old commercial vehicles being phased out in the government scrappage policy, which is due soon, would that impact prepayment of our used vehicle loan book?

**HKN Raghavan:** No we do not have any funding for vehicles of 15 years and it is all about we look at least 10 years not beyond that.



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**Akhil Jain:** That is helpful. Thanks. That answers my question.

**Moderator:** Thank you. Well ladies and gentlemen that was the last question for today. I would now like to hand the conference over to Mr. John Alex for his closing comments.

**John Alex:** On behalf of the management, I would like to thank each one of you for the interest in our performance and for joining the call. We look forward to your continued interest in our organization and participation. Thank you very much.

**Moderator:** Thank you. On behalf of Equitas Holdings Limited, we conclude today's conference. Thank you for joining us. You may now disconnect your lines.