



“Laxmi India Finance Limited

Q1 FY26, Earnings Conference Call

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MANAGEMENT: MR. DEEPAK BAID – MANAGING DIRECTOR – LAXMI INDIA FINANCE LIMITED
MR. GOPAL KRISHAN SAIN -- CHIEF FINANCIAL OFFICER – LAXMI INDIA FINANCE LIMITED
MR. KULDEEP SINGH SIKARWAR – CHIEF BUSINESS OFFICER – LAXMI INDIA FINANCE LIMITED
MR. PIYUSH SOMANI – CHIEF TREASURY OFFICER – LAXMI INDIA FINANCE LIMITED
MR. SOURABH MISHRA – CS AND COMPLIANCE OFFICER – LAXMI INDIA FINANCE LIMITED



Moderator: Good evening, everyone. On behalf of Kirin Advisors, I welcome you all to the Virtual Conference Call of Laxmi India Finance Limited. So from the management team, the call will be addressed by Mr. Deepak Baid, the Managing Director, Mr. Gopal Krishan Sain, the Chief Financial Officer, Mr. Kuldeep Singh Sikarwar, Chief Business Officer, Mr. Piyush Somani, Chief Treasury Officer, Mr. Sourabh Mishra, CS and Compliance Officer.

Now I hand over the call to Mr. Deepak Baid. Over to you, sir.

Deepak Baid: Good evening, everyone, and thank you for joining us. This is a very special occasion for all of us at Lakshmi India Finance Limited. As we connect with you for the first time after our successful listing on 5th August, 2025.

On the eve of our National 79 Independence Day, it is a proud and humbling moment to reflect on how far we have come and share our progress with you. Tomorrow, as India celebrates its journey of freedom and opportunity, we take pride in contributing to that story through financial inclusion, entrepreneurship, support, and customer-focused lending.

Let me briefly take you through who we -- who are and how we have built this journey. At this core, Laxmi India Finance Limited is a non-banking financial company dedicated to providing tailored financial solutions. Our primary focus is on improving micro, small, and medium enterprises and support the construction sector, which together consists the largest portfolio of our profile.

We also have significant presence in vehicle finance and offer personal loan and business loan to meet the diverse need of our customers. Our 98% book is secured either by the collateral, residential or commercial, or a vehicle with HVN. Our operations are spread across five states, Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh, and Uttar Pradesh.

With a network of 159 branches, we are committed to extending our reach into semi-urban and rural market, leveraging technology to enhance efficiency and ensuring robust asset quality, which is hallmark of our institution. In a financial landscape that is evolving rapidly, the ability to adopt, innovate, and create sustainable value has been essential to our success.

At Laxmi India, we have remained committed to exceeding expectations by continuously improving and striving for excellency. The trust, insights, and feedback from our stakeholders have been invaluable in guiding our strategic direction, helping us respond to challenges effectively and capture non-opportunities.

The financial services sector is becoming increasingly interconnected with banks, small finance bank, NBFCs, and FinTech, working together in new ways. Our strong positioning with this credit ecosystem, supported by deep relationship and robust technology capabilities, enables us to expand across segments and geographies, strengthen our portfolio and managing risk efficiently.



The past quarters was significant for us, not only because our listing, but also because we achieved record profitability, grew our asset under management, expanded our branch network, increased our employee base, and increased our geographical presence. These results are testament to our clear strategic focus and tireless effort of our team. I want to thank every member of Laxmi India Finance for their commitment and resilience, and to express my gratitude to our investors and stakeholders for their continued confidence.

If I talk a little bit about myself, so, one sec. So this journey started in 1993 with my father, late Shri Tejkaraji Baid, and he has started this journey with the name of Deepak Finance and Leasing Company. This was a proprietorship firm. This was totally a vehicle funding company where we used to fund new and old vehicle to our customers.

So this business was going very well and we had a good customer base, but unfortunately in 2001, we lost him, and this was a big demise to our family. And after his demise, I took this, I was too young that time, I was just 17 years of age, and I was in school, 11th standard, studying in school. But I took this, accept this challenge, and I managed my routine like morning to afternoon school, then afternoon to evening office and late evening, tuitions and all.

So this continued with -- this journey continued till I complete my graduation. After completing my graduation, I start coming to office for morning till evening, and was thinking to how we, because being the -- this is only a business of bread and butter, you can say, and so how we can expand this business and take it to next level. So I joined hands with different NBFCs, with different institutes, and we planned to grow with them in more faster way.

In 2011, we, I thought more to expand this business, so thought to expand this business in proprietorship firm was not easy, so bought this company called Laxmi India Finance Limited, the Laxmi India Finleaseap Private Limited, and was the complete business of Laxmi -- Deepak Finance into a Laxmi India. So this was again a new journey started, and it was very excitement was there, with NBFC name and all. So slowly, gradually we understand -- understood the process, we have made the process, we hired professional guys, and...

Moderator: Sorry to interrupt.

Deepak Baid: Yeah.

Moderator: Sorry to interrupt. I just wanted to confirm if the screen is visible. Shahin, can you please confirm if the screen is visible?

Moderator: Yeah, now it's visible.

Moderator: Yes. Yes, sir, please go ahead.

Deepak Baid: Yeah, thank you. So, was very excited to grow this business and take this NBFC to next level. So for that, we have hired a special team, we had made the policies, we made a structure where we can grow in a very positive way, covering all the requirement of our governing bodies, and taking care of all the factors that can affect the business.



So we thought, let's grow and open the branches and to serve customers like NIP customers. So why we call NIP these customers? Because they have less or no income proof with them, like banking statement, the balance sheet, pan cards. So, but they have a good income, good source of income, and they also deserve a good credit or on-time credit, so they can also grow and part of a -- and can be a part of a growth of a Bharat.

Our customer base are like, we have a small kirana stores, sweet shops, small aluminum factories, carpenters, dhabas, bookstall, stockist. So these are the customers who are taking us loan in this Tier 2, Tier 3 cities of the state. And with this credit growth, they are able to expand their business and take their business to next level.

So this went very well when we started expanding in our branches, first in mother state, Rajasthan, then we thought, let's grow more into other states also, because we had a very good success in Rajasthan, then thought to have some more branches across other state, then we plan to open them in Gujarat, Madhya Pradesh, Chhattisgarh, Uttar Pradesh. And keeping the similarly, focusing on the same secured MSME customers by taking their security as a collateral and keeping NPV to 45% to 50%.

Basically, these loans we are giving on our cash driven business and for the purpose of further increment of their business, where we are taking Udyam Aadhar from them. So this all have come with a lot of technology, of course, without technology, this won't be possible. So we have a very strong techno, we can say tech, what we are using, LOS, LMS, CRM, the HR applications, the customer application, more than the best of accounting system, Microsoft, Dynamics, then we are using iclue for collection.

So a lot of such APIs also we are using, which are helping us in getting the best of a result and maintaining the TAT for the customer. So this journey was not easy, but yes, because of the good team members and with, of course, Directors, Independent Directors and blessing of family, we have reached to this level. So we have a very professional Board members with us who are ex-bankers, ex-RBI senior, GM retired, who are helping us and giving us a road show, road map and taking us to company and to us to our next level and helping us in achieving our goal.

So now if I talk about our key highlights of Q1, so if I compare with Q1 to Q1, year-to-year basis, so we have our AUM stood for INR1,346 crores as compared to June 24, INR1,035 crores, so we are up by 29.99%. Our profit has -- is up, PBT is up by 46% from INR8.7 crores to INR12.77 crores. Our PAT has improved from 45.77%, that is INR6.62 crores to INR9.62 crores -- INR9.65 crores.

Our return on net worth is 14.67 and our return on asset is 2.75. Our NIM stands for 9.99%. Our return on assets stand for 2.75%. Our net worth as on June end is 268.50. Our cost of borrowing has improved from 33 bps so that is 11.82 and our credit rating has improved from A- to A-positive. So our debt to equity ratio is 4.13 and net equity ratio is 3.85.

Our disbursement have up by 8.03% that is INR165 crores and our employee base is up by 1,520 employees across these five states. Our gross NPA is 1.28, our net NPA is 0.67 and our PCR is



47.09. We have a healthy securities with us where the average LTV store stands for almost 45% and these all securities what we are having is appreciable securities. What I mean appreciable security means all these securities like land which is residential or commercial which we are having are on an increasing side.

So our LTV is going down on year-to-year basis, month-to-month basis and our LTV is going down, the value of our security is growing up and principal outstanding to our customer is going down. So this gives most comfort on maintaining the risk and high quality security what we are having. Our network is spread over five states, 91 in Rajasthan, 24 in Gujarat, Madhya Pradesh, 35, Chhattisgarh, 4 and Uttar Pradesh.

So we have good plans for future growth like still we have a presence in five states of Bharat, but still there are many untouched states of Bharat where we have a plan in coming years to touch and to open more branches in Tier 2, Tier 3 cities and serving these types of customers and taking -- by taking the security as a collateral.

Our focus will not change -- our focus will remain on saying that we want to go for a secured lending. In my 25 of years on this journey, I have learned that secured lending is the best lending what we have done and we have achieved the targets because of the security what we are having and because of the secured asset.

So we have a good growth plan like for almost 35% to 40% growth we are assuming for this financial year and maintaining with the credit cost as the same and profit almost by -- up by 50% and opening some more branches to almost 45% to 50%, 40% to 45% more branches we are planning to open in our coming years.

So this is a little bit about me, about my journey. Now about my products. So we have our main product, I told that this is MSME and second main product is a construction loan, this all product then third is vehicle loan, the vehicle loan stands for commercial vehicles, private vehicles, tractors and electric vehicles.

So we have good diversified products, we are diversified on a geographical side also like 80% is for mother state Rajasthan, the rest is Gujarat, Madhya Pradesh and Chhattisgarh in the coming months, coming years. So this percentage of other states will also grow because we are growing fast at other states also. So we use a lot of technology to drive all things, it's not easy without technology. So as I told, we are very tech driven company and work hard on technology to achieve the milestone on achieving the numbers.

So if I talk about why Lakshmi? Lakshmi as we can say that we have a strong promoter base. So recently we have come up with the IPO, after that also the holding of a promoter is on high side, the experience of the promoter is almost 25 years, vintage of the company is very high. This vintage gives us confidence to everyone, to lenders, to stakeholders, because the vintage means that you have seen so many cycles so which is very important for anyone in the business so that big experience, we have of seeing so many cycles in the BFI sector and come out with all these cycles in a very positive way.



We have a focused team where we are directly approaching to customers, directly lending to them, directly source the company sourcing is done by in-house team, company credit is done by in-house team and company collection is done by in-house team. So we are very less dependent on third-party, the complete networking is taken care by our own team members.

We have strong lenders, we are very much diversified, we have PSU banks also, we have small finance banks. So we have almost eight PSU banks, State Bank of India, Canara, Indian Bank, IDBI, Yuko, then private banks, we have seven private banks who are continuously lending us, we have a small finance banks, seven small finance, AU, Suryoday, Jana, ESAF, then we have NBFCs and FIs, 21 NBFCs and FIs who are continuously giving us fund and helping us in our further growth.

Now, looking ahead, our focus will be on expanding our secured MSME and vehicle finance segment, extending our presence in semi-urban and rural market, leveraging technology for efficiency and maintaining the asset quality that defines us with a strong balance sheet and diversified funding base and positive credit profile. We are confidently -- confident of sustaining our growth momentous -- momentum and creating long-term value.

So as we all know that recently we have raised the capital through IPO, which will give company boost up and will take this company to a next level. So few points where we will be benefited. Company will be benefited, like we are A-rated company, positive outlook, so we have -- at least we are finding at least a two notch up in credit rating, which will improve the rating of our company with this capital.

With this capital, we will be able to expand more branches, we will be able to open more branches and serve such customers. We can add more geographical presence, we can have more of a geographical presence and we can enhance our scale of operation. We can do -- we can have some business buyout or acquisitions that we can do, improve our -- we can improve our ratios like CRAR, ROA, ROE, we can have more lenders on board. And so our cost of borrowing will go down, we are expecting at least 100 to 125 bps, cost of borrowing might go down with us in the coming months.

So these are all benefits which we are expecting in the coming quarters with this fund infusion in the company and this will take company to next level. As we have a good branch network, we have a good disbursement source, customer base. So I think so this, they will be -- we will be able to drive and we will be able to give better performance as what we have committed and that we can show in our coming quarters within this financial year.

Now I would like to hand over to Gopal Sain, he the Chief Finance Officer to give some glimpses on financial. Gopal?

Gopal Krishan Sain:

For interest income on June 25 is to INR 67.1 crores and Year -on-Year basis increased by 39.97% and finance cost INR 33.23 crores and net interest margin is to INR 33.86 crores. Other income reached to INR2.98 crores and remuneration including the Directors INR16.28 crores. Depreciation INR 0.46 Crores, credit cost INR1.71 crores and other expenditure is to INR5.63 crores.

Profit before tax increased by 46.67% year on year basis and reached to INR 12.76 crores. Profit after tax including comprehensive income is to INR9.65 crores and increased to 45.77%. Cash and cash balance available on June 25 is INR15.96 crores and total Liquidity available INR73.96 crores. Our total balance sheet size is to approximately INR1,400 crores and loan borrowing as of June 25 is INR1,108 crores. Share capital INR20.91 crores and reserves and surplus is available INR247.59 crores and company consolidated net worth is to INR268.50 crores.

Our Stage 1 assets classification INR1,149 crores, Stage 2 INR56 crores and Stage 3 assets is INR15.59 crores Gross NPA -- 1.28 percentage and net NPA 0.67 percentage. provision for Stage 1, 0.41 percentage and provision for Stage 2, 2.97 percentage and PCR for Stage 3 is 47.09%. Net Interest margin as of June 25 is 9.66% and return on Assets is 2.75%. Return on equity 14.67%. Average cost of borrowing 11.82% and yield is 21.89% or CRAR 20.28% as of June 25.

ALM structure, we have positive ALM throughout the years and throughout the full of the tenure of the company. This is a positive sign for the company. We are maintaining positive ALM. CAGR in the sense of the branch network, we are increasing with the CAGR 13.74%. Disbursement growing with the CAGR 33.67%. Customer base increasing with CAGR 42% and ALM growth is increasing with 34.86% CAGR.

Our top 10 banks are SBI, IDFC first Bank, Jana Bank, Bandhan Bank, [Canara Bank AU Bank] Union Bank, Indian Overseas Bank, Utkarsh small finance Bank. And 8.67% contributed by SBI and second largest bank is IDFC FIRST Bank contributing 6.86%. And in financial institutions side, there is Northern Arc Capital contributing 9.04% and Mass 5.95%. Another FI which are contributing in top 10 is Hinduja Leyland, Maanaveeya , A.K. Capital, Small Industry Development Bank of India, STCI finance limited, Manappuram, Namkisan and Bajaj. Thank you.

Moderator: Okay, sir. So can we begin with the Q&A session?

Deepak Baid: Yes, please.

Moderator: Okay. So dear participants, the floor is now open for Q&A session. Mr. Akash Jain, you can go ahead and ask your questions.

Akash Jain: Good afternoon, sir. My question is regarding the net interest income. This quarter on Q-o-Q basis, we have seen a decline in net interest income. Is it because of rise in gross NPAs? Hello?

Moderator: Hello, Deepak sir, are you there?

Deepak Baid: Yes, sir. There is some little bit of increase in NPAs. So it is increased. So definitely it is in that top line.

Management: Sir, there is -- sir, sorry to interrupt, but there is some background noise. I think this is better now.



Deepak Baid: Yes. Net interest income is definitely in front of the increasing of NPAs, which increase that rate compared to last year. Hello? Actually, we are audible?

Management: Sir, your voice is a bit cracking.

Deepak Baid: I think Akash's voice is cracked.

Akash Jain: Hello?

Management: Yes. So can you speak now?

Akash Jain: Yeah. My question is like, what is the reason for fall in net interest income on Q-o-Q basis? Although we have witnessed Y-o-Y growth of 42%, but net interest income has declined from INR40 crores to INR34 crores in Q1 FY '26. Was it because of rise in NPAs?

Deepak Baid: Akash, just a little bit. Akash, we are audible?

Akash Jain: Yes, yes, you are audible, sir.

Deepak Baid: Akash, yes, a little bit dip is because of the high, only 10 to 15 bps high on our NPA side. But we have seen that interest income has a little bit processed off that gap. Disbursement is on a higher side. So we have raised the disbursement of INR164 crores, which is 7.24%. So a little bit consensus, because this is like industry, a little bit NPA is high, but we are confident on our NPA numbers because we have a good security and our NPA is very low. So we believe that we will be able to cover all in the coming quarters.

Moderator: Hello, Akash sir, are you there?

Akash Jain: Considering the macro scenario, which segments are we focusing now?

Deepak Baid: Our main focus is on MSME customers, where these customers take a loan from us for expanding of their business.

Akash Jain: Okay. So it is basically a micro loan, am I correct?

Deepak Baid: Yeah, you can say that average ticket size is INR6.5 lakh and coming up, giving us a collateral and taking this money for expansion of their business.

Akash Jain: Okay. So the recent increase in NPAs is from this MSME segment below say INR10 lakhs?

Deepak Baid: It's a mix of all. So you can say that it's a mix of -- we have a little bit high side on our business side also, especially the commercial vehicles and little bit on our MSME loans also.

Akash Jain: Okay. So what is our expectation going forward? Like when would the stress start reducing?

Deepak Baid: So we are expecting better results in our coming quarters. So we believe that in having a good customer base, good collection process, so we will be able to collect these all cases and getting this NPA numbers on a lower side. And this overall tightness is in the monetary instruments, Q3 has reduced liquidity in the market which impacted in Q4 last year and Q1 this year.



So basically this monetary instruments has effected, due to that there is a crunch of a liquidity in the market and that is why I think so this has come. But yes, we are very comfort situation that we will, as our 98% book is secured with good collateral, so we can say comfort that we'll be able to recover these amounts and we can get our NPAs on a below 1% in future.

Akash Jain: Okay. And also this quarter we saw some rise in the operating expenses mainly because of jump in employee cost. So this trend would continue or this employee cost will stabilize now?

Deepak Baid: So Akash, as I told that we are having a direct connect, we open our direct branches in our Tier 2, Tier 3 cities of the state. So we have a plan. We plan like we open our branches and we directly connect for customers. So we -- so this is because of that, we have open branches in our last year also almost -- how much branches we have added, 35?

Moderator: Last year we added 23.

Deepak Baid: 23 branches. So 23 branches we have added and this year we have a plan to add almost 35 to 44 branches in the coming years.

Akash Jain: Okay. And in how many months a branch breaks even?

Kuldeep Singh Sikarwar: So Akash, this would be, our breakeven actually achieves on the end of the AUM of INR1.5 crores to INR2 crores. The breakeven consists of the branch expenses, the employee cost, infrastructure running cost and the revenue of operations at the branch level.

Akash Jain: Okay. Okay. Thank you, sir. I will come back in queue.

Moderator: Thank you. Mr. Jehan, you can go ahead and ask your questions.

Jehan: Yeah. Congratulations to the team for getting listed. My question is, firstly, I would like to suggest that if the company can upload the presentation on the exchanges before the results, and I mean, before the con call, it will be helpful next time. My question is on the credit cost. Last year, it was at around 1.1%.

Now I'm looking at the industry scenario. I mean, we have spoken with your other peers who operate in this MSME ticket size of less than INR10 lakhs where they are also witnessing some pain. So in that light, what can be the credit cost for the current year?

Deepak Baid: For the current year?

Jehan: Yes, FY '26.

Deepak Baid: Yeah, so current year, we are -- yeah, please, so Gopal, will be there to answer.

Gopal Krishan Sain: Actually, the credit cost range depends - on the several factors, like macroeconomic factor, portfolio behavior, collection pattern. So in March 25, it was 1.17%, and in June 25, it is 1.13%. So we are expecting it will be floated within the same range.



Jehan: Okay, great. And any sort of trends that you are witnessing in quarter 2, like in the month of July, August, how the asset quality is shaping up?

Kuldeep Singh Sikarwar: Definitely the economic factors are improving nowadays. The instruments are liberal, and the liquidity is coming in the industry. So customer repayment behavior are also improving. So definitely, this will improve in the future.

Jehan: Right. Right, okay. And my last question is just an observation that some of the peers are having the AUM per branch at a higher level than what we have. So I think last year, we were at INR8 crores per branch of AUM. So any input as to how, what is the level that you are looking at in 2, 3 years down the line? And I think that is one of the major reasons that our cost-to-income is on the higher side than then.

Kuldeep Singh Sikarwar: Yes, sure, but we have recently added number of branches. Last year also, 23 branches were added.. So these incremental number of branches definitely will reduce the AUM per branch, but the optimization will happen after 3 years of opening the branch. So our branches, which are more than 3 years old, are having good AUM base per branch. But definitely, this will also improve. And yes, this growth will not that much because every year we have a plan to increase the branches.

Jehan: Fine. Great, sir. Congratulations and all the best for future.

Kuldeep Singh Sikarwar: Thank you, sir.

Moderator: Okay. Mr. Akash Jain, you can go ahead and ask your questions. Mr. Akash, are you there?

Akash Jain: Yes, hello. Yeah, my next question is regarding the recovery mechanism. In case of a default, how is the recovery process? Can you elaborate on that?

Deepak Baid: Yeah, so Akash, we have a very strong in-house team who's visiting the customers and getting this collection done. So we are using the application where we can track the collection, we can track the executives, and we can track the customer payments. So here we are using different, different like after default, we have a telecaller team who calls the customers, we have a field team who visit the customers and collect the money, and maximum amount is collected through API.

And because once the check -- once the match gets bounced, it has to be collected either through API or through cash. But if you want to save the overall collection in a company, the maximum is through now the banking sector -- banking side. So then if, once the case is defaults, it is visited by the field executive, and after visiting the field executive, it has been collected by the executive and the collection application is directly through -- API through our LMS, so it automatically reflects in the customer account.

Akash Jain: As per DRHP, I think 40% recovery was in cash. So what are we doing to improve that?

Deepak Baid: So with this, we have a plan to do now, we are coming up with new application that is a UPI match. Now in India, maximum transaction is done through UPI. So what we are planning is



that we are connecting their UPI to our UPI match. So that will improve our collection efficiency and maximum collection will be done through UPI side.

Akash Jain: Okay. And some of the collaterals may be in say Gram Panchayat properties and some properties might have title disputes. So how do we tackle that?

Deepak Baid: So we are not accepting any, what do you believe, you can answer.

Kuldeep Singh Sikarwar: So, we have a very stringent process of assessing the property, where the title search is happening as well as the TSR report by external vendor. And then again, we are getting it vetted from. in house legal team before disbursement, and at credit side also, we are taking all the family members into deal and credit manager and technical vendor visit to the property, if there's any dispute, you will have a fair idea where there is a dispute. So we are not considering those properties where there's any kind of dispute in such a way and we are avoiding those cases.

Akash Jain: Okay. Okay, thank you so much.

Moderator: Okay.

Management: So can we answer the chat box questions also right now?

Moderator: Sure, sir. You can go ahead with that.

Deepak Baid: Yeah, sure. So Aditi Roy.

Moderator: Yes sir, the first question is from Aditi Roy. She's asking, how do you see NPAs trending over the next couple of quarters?

Kuldeep Singh Sikarwar: So we have already explained that NPA trend will definitely reduce as the monetary instruments are liberal, the trends in the industry is growing up, the liquidity in the market, so the repayment behavior, the payment capacity of the customers are increasing. So definitely this trend will lower down in future.

Moderator: Okay. Thank you for answering that, sir. The second question she has is, what is the current recovery rate in stress accounts?

Deepak Baid: So currently on a stress account, we have been monetized each and every account which comes into NPA. In fact, we have a separate team who monitor NPA cases and visits a few customers.

Moderator: Yes, yes. Thank you sir. I will make a invite of that and I will talk.

Deepak Baid: Yeah, so we have a separate team where we identify them also at different like 007. So because they are a little bit more, you can say they visit the customer, they collect the amount and all. So currently the recovery rate is better as compared the last quarters. So we can say that the coming quarters will be showing the better recovery and better numbers.

Moderator: Thank you for answering that, sir. The next question is from Mr. Vinod Shah. He's asking, what's the branch expansion plan for FY '26 and focus geographies?

Kuldeep Singh Sikarwar: See, in the past time we have a strategy to open one new state every year. So last year we have added UP, last to last year we have added Chhattisgarh and so on. This year also we have a plan to increase one state as well as we have some plan to open some 30, 35 branches in this financial year. So approximately 30 to 35 branches will be added in this financial year.

Moderator: Okay. Thank you for answering that, sir. The next question he has is, how is tech helping in MSME underwriting and collections?

Kuldeep Singh Sikarwar: So our complete journey of onboarding is tech enabled. Right from the generation of the lead, so we generate leads through marketing activities then after these leads are being generated at the CRM. Through CRM these are assigned to the frontline RO who is the relationship officer.

Then relationship officer visit to the customer, collect all the information on the application. He has mobile application and he input all the information, all the clicks, all the documents on that application. And that application real time basis can go to the credit manager.

Then credit manager go to the customer's place to visit, to analyze the income, to find out who all are in the family because we try to take all the family members into the deal who are the earning members. And then after they are analyzing on the expenses of the family, running obligations. Before that, all the KYCs are being verified through Karza.

We have integration with Karza, we have integration with bureau So all the bureau data are being stored in the application. Then this complete case after visit, after getting the valuation from external vendor, this case being recommended to the higher authority for decision. This is also happening on system. Then after decisioning all the agreement process, everything is sent disbursement. Then the loan management is happening on LMS.

So this complete journey of onboarding is on the technology. After that, we have integration with the iClue application for the collection purpose. That is also integrated with the LMS. Any single penny collected from the customer can real-time basis will be reflecting in the LMS. So the complete onboarding journey with collection, after that there's a CRM to service customer, everything is on technology-based. Thank you.

Moderator: Okay. And the last question he has is, any plans to enter new product segments this year?

Kuldeep Singh Sikarwar: See, we are always focused on the secured lending and more focused on the property-backed MSME lending, which is consisting 76%, plus construction loan, which is for the construction or improvement purpose of the home, which is around 6%. So around 80%, 81% is on a secured lending. That will be the focused area.

Beside that, the second focused area will be vehicle loan. And thereafter, the unsecured is a very less, around 2% only. So these are the product rangewe are having and we want to continue with these products only for this FY.

Moderator: Okay. Thank you for answering that, sir. Sir we have a question from an anonymous attendee. He is asking, how much free cash flow you will have now after the IPO money of INR165 crores?



- Deepak Baid:** Cash flow will be around the INR225 crores what we are having as on date. So this is cash flow what we are having. And I think so this can be deployed in a -- because our average monthly disbursement is almost INR50 crores, INR55 crores. So we have a good liquidity of at least 4 to 5 months.
- Moderator:** Okay. And sir, he's also asking, this IPO money will get disbursed in how many months? Won't it increase the profit -- profitability substantially?
- Deepak Baid:** Yes, of course. Because our average lending rate is 21.5% And this is a complete secured book, we are building it. So we are having a secured lending site with at a 21%, 21.5% is a very good. I think so the good IR and we are able to make a good NIM. So of course with this IPO money and this will increase the profitability. What we expect is almost a return on equity is 15% to -- 15% around in the coming years.
- Moderator:** Okay. And the last question he asked is, you have recurring income model and NPAs are booked as provisions. So how come income dropping quarter-on-quarter, even though you explained, but more clarity will be appreciated.
- Deepak Baid:** So we have already replied a little bit. If you want to see the disbursement, if you want to see the interest income that has, yes, I have gone up almost by 35% -- 30% to 35% up exact number I have. No, interest income is not over, we have an exact number now. But yes...
- Gopal Krishan Sain:** 39.97% quarter-on-quarter basis.
- Deepak Baid:** 50?
- Gopal Krishan Sain:** 39.97%.
- Deepak Baid:** 39.97%, 39, almost 40%. There is a up in interest income, but yes, there is a dip showing the overall dip is because of little bit 15 to 10, 15% bps high on NPSI. So that is a reason of a little bit dip on total income. And little bit Q, we know that in a Q1 is little bit slow in the industry. Second, we have recently come up with our IPO also. So we can say that the coming quarters and months will be a bit much better.
- Moderator:** Thank you for answering that, sir. The next question in the chat box is, what is our aspiration in terms of scaling up of loan book in 3 to 5 years?
- Deepak Baid:** Yeah. So we have a good plan for coming years. So with this 35% to 40% growth, we are expecting in our coming years with this. So with this growth, I think so, within this 3 to 4 years or 3 to 5 years, we can be easily touch to INR5,000 crores to INR6,000 crores AUM size.
- Moderator:** Okay. Thank you for answering that, sir. The last question in the chat box we have is, what is the collection efficiency in quarter 1 FY '26?
- Deepak Baid:** It's almost 94.92% in our Q1.
- Moderator:** Thank you for answering that, sir.



Management: Yes, investors, do we have any further questions?

Moderator: Ma'am, I think we have covered most of the questions.

Management: I think we can conclude the meeting for today.

Moderator: Okay. So thank you, Deepak sir, Gopal sir, and all the other investors who took their valuable time to attend this session. If you have any queries, feel free to reach out to us at research@kirinadvisors.com. Thank you.

Management: Thank you, everyone. Thank you, Deepak sir.

Deepak Baid: Thank you, Joiner. Thank you.