Aadhar Housing Finance Ltd
GHAR BANEGA, TOH DESH BANEGA.
Corporate Office : Office No. 501 & 503,
5th Floor, Lightbridge, Saki Vihar Road,
Andheri (East), Mumbai – 400072
Tel.: 022 71189900

Date: November 12, 2026

To, **BSE Limited** Listing Dept. / Dept. of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. **Security Code: 544176** **Security ID : AADHARHFC**	To, **National Stock Exchange of India Limited** Listing Dept., Exchange Plaza, 5th Floor, Plot No. C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 **Symbol: AADHARHFC**

Kind Attn.: Listing Corporate Relationship Department

Sub:- Intimation under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations")-Transcript

Dear Sir/Madam,

Pursuant to Regulation 30 read with Schedule III of SEBI LODR Regulations and with reference to our prior intimation filed in this regard please find enclosed the transcript of the Earnings Conference Call on the financial performance of the Company for the quarter and half year ended September 30, 2026, held on Thursday, November 05, 2026.

The above information is also available on the website of the Company and can be accessed at:

https://aadharhousing.com/investor-relations/financial-results

The above is for your information, records and dissemination please.

Thanking you.
For Aadhar Housing Finance Limited

RAJESH VISWANATHAN

Digitally signed by RAJESH VISWANATHAN
Date: 2026.11.12 11:16:03 +05'30'

Aadhar Housing Finance Ltd. Mumbai

Rajesh Viswanathan
Chief Financial Officer

Encl.: As above

CC:- Debenture Trustees-
1. Beacon Trusteeship Limited
2. IDBI Trusteeship Services Limited

“Aadhar Housing Finance Limited
Q2 FY27 Earnings Conference Call”
November 05, 2026

MANAGEMENT: **MR. RISHI ANAND – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – AADHAR HOUSING FINANCE LIMITED**
MR. RAJESH VISWANATHAN – CHIEF FINANCIAL OFFICER – AADHAR HOUSING FINANCE LIMITED
MR. SANJAY MOOLCHANDANI – HEAD, FP&A AND INVESTOR RELATIONS – AADHAR HOUSING FINANCE LIMITED

MODERATOR: **MS. SHREYA SHIVANI – NOMURA**

Moderator: Ladies and gentlemen, good day and welcome to Aadhar Housing Q2 FY 2027 Earnings Conference Call hosted by Nomura. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shreya Shivani from Nomura. Thank you, and over to you, ma'am.

Shreya Shivani: Thank you. Very good evening to all. Welcome to the second quarter FY 2027 earnings call of Aadhar Housing Limited. On behalf of Nomura, I would like to thank Aadhar management for giving us the opportunity to host this call. From management side, we have with us Mr. Rishi Anand, MD and CEO, Mr. Rajesh Viswanathan, CFO, and Mr. Sanjay Moolchandani, Head of FP&A and Investor Relations. I will now hand over the call to Rishi sir for his opening remarks, and then we can open the floor for Q&A. Over to you, sir.

Rishi Anand: Great. Thank you so much, Shreya, and a very good evening to all of you. Thank you for joining us to discuss Aadhar Housing Finance's Q2 and H1 FY 2027 performance. Before discussing our performance on Q2, I would want to take a moment and express my deepest condolences on the sad demise of our esteemed Independent Director and Non-Executive Chairperson, Shri Raj Vikash Verma, on the 16th October.

His invaluable contribution and guidance have been integral to Aadhar's journey, and his insights and wisdom will deeply be missed across the organization. May he rest in eternal peace. Following this unfortunate event, and in accordance with the applicable regulatory requirements, Shri Deo Shankar Tripathi, previously Executive Vice Chairman of the company, has been appointed as Interim Non-Executive Chairman.

I would also like to welcome Shri Nikhil Goyal, Managing Director, Blackstone, who has joined our Board as an Additional Director with effect from 12th of August 2026. With his experience in private equity and investments, including banking and financial services, we believe he will bring in valuable investment perspective to the Board and further strengthen our focus on disciplined growth and long-term value creation.

Now, coming to company's performance. During the first half of FY 2027, we continued to build on our execution momentum with a focus on disciplined growth, calibrated risk management, and improving productivity across our branch network. Our approach remains consistent, expanding access to affordable housing finance while maintaining asset quality, profitability, and sustainable returns. Our AUM as of 30th September 2026 stood at INR32,643 crores, registering a Y-o-Y growth of 18%.

Disbursement for Q2 FY 2027 stood at INR2,577 crores, representing a Y-o-Y growth of 22%. As all of you would recall, from Q1 FY 2027, we transitioned into recognizing disbursement on cheque realization basis instead of cheque handover basis. Hence, on a like-to-like basis, disbursement growth in H1 FY 2027 on a Y-o-Y basis is 21% and AUM growth is 20%.

Looking ahead, we remain committed to our medium-term guidance of 18% to 20% disbursement growth and 20% AUM and PAT growth for the full year.

Our portfolio continues to remain fully secured and retail in nature, with home loans accounting to 73%, non-home loans accounting to 27% of our AUM. Our average ticket size stood at INR11.3 lakh, with a loan-to-value ratio at comfortable 61%. The salaried segment contributed 55% of our AUM, reflecting a diversified nature of our portfolio.

Balance transfer outflows during the quarter two FY 2027 was at 5.1%, which improved by 40 basis points as compared to Q2 FY 2026, supported by focused retention efforts and AI-driven customer engagement. On asset quality, our portfolio continues to remain well secured, supported by disciplined underwriting and strong focus on collections. Collection efficiency for the said quarter stood at 99%, while gross NPA stood at 1.34% as of September 2026, which is an improvement of 8 basis points on a Y-o-Y basis.

We also remain mindful of external factors as we grow business, including geopolitical developments and on the strengthening El Niño conditions that can impact the borrower's cash flow, particularly in the semi-urban markets. Our approach to assess the risk at the customer and the branch level and respond appropriately without resorting to broad-based tightening of underwriting norms.

In addition, we closely monitor customers' overall repayment obligations and credit exposures to ensure that lending decisions remain aligned with their repayment capacity. This is particularly important as we deepen our presence in underserved market while safeguarding portfolio quality. Our AUM is well diversified across geographies, with no single state accounting for disproportionate large share of portfolio.

During the quarter, we expanded our footprint to Jammu, an important territory for us, by adding one branch there, taking our network to 632 branches across now 23 states and covering over 555 districts as of September '26. We continue to follow a calibrated demand-based expansion approach with a focus on markets where we see sustainable demand and potential to build a productive business over a period of time. We also remain focused on improving our productivity of our existing branches.

Our objective is to ensure that newer branches reach expected productivity levels within planned timelines, while the established branches continue to improve sourcing productivity, customer retention, and operating efficiency. During the quarter in question, I am proud to say that our credit profile was further strengthened with India Ratings and ICRA upgrading our long-term rating to AA+ stable.

Now all the three rating agencies, that is India Ratings, CARE, and ICRA, have rated the company AA+ on a stand-alone basis. These rating upgrades recognize our scale, strong capitalization, and diversified access to funding. They also strengthen our position to optimize borrowing costs over a period of time, subject to prevailing market conditions. On technology, we continue to leverage AI and data analytics to strengthen business operations across the

lending cycle, including origination, underwriting, portfolio monitoring, collection, and customer retention.

We are also building in-house platforms across document intelligence, voice intelligence, decisioning intelligence, enterprise access, and management intelligence to improve information processing, decision-making, and support for our teams. As we scale, technology will be key to improving operating efficiency, strengthening risk management, and enabling growth without compromising on execution quality or governance.

Coming to the industry, demand for affordable housing finance continues to be supported by structural need for home ownership and expansion of formal credit to underserved markets. We continue to see opportunities in Tier 2, Tier 3, and beyond in the emerging markets, where first-time home buyers and customers with informal income profiles require a specialized approach in housing finance. At the same time, competition is increasing, making it important for lenders to develop new catchments while improving productivity and customer retention in the existing markets.

In the recent revision in RBI monetary policy, with 25 basis points increase in repo rate to 5.5% and a shift towards calibrated tightening, marks a change in the interest rate environment. While the impact on borrowing cost and housing affordability will depend on the extent and timing of transmission, we remain mindful of its implication both for customers and lenders.

In this environment, our focus will be to continue on prudent underwriting, disciplined funding, and margin management while catering to underlying demand for the affordable housing finance and maintaining the quality of our portfolio. Our approach is to protect spreads rather than chase yields.

We continue to focus on emerging markets, maintain discipline in our Loan Against Property portfolio, and improve productivity per branch and per employee to support sustainable growth. Overall, H1 FY 2027 has been a quarter of steady execution.

We remain confident of delivering our medium-term guidance of 20% AUM and PAT growth, sustained profitability, and industry-leading asset quality while staying alert on the environment around us. We expect our disbursement momentum to continue and are confident of delivering a 20% plus disbursement growth in the second half of the year. Aadhar remains committed to its mission of enabling home ownership for low-income families while delivering consistent and sustainable returns for its stakeholders.

With that, I would now hand over to Rajesh, our CFO, to take you through the financial performance in detail.

Rajesh Viswanathan: Thanks, Rishi. Good evening, everyone. I would like to take you all through the financial performance of quarter two FY 2027 and H1 FY 2027. In quarter two, our disbursements have grown at 22% on a year-on-year basis. Adjusting for the impact of Q1 shifting to recognizing disbursement on a check clearance basis, the AUM at 30th September has grown by a healthy 20% on a year-on-year basis.

Our overall borrowings on 30th September stood at INR20,400 crores compared to INR17,600 crores on 30th September 2025. The borrowing mix as at end of 30th September 2026 is 53% from banks, NHB share is 22%, NCD share is 15%, ECB is 7%, and others are 3%. Our incremental borrowings for quarter two FY 2027 stood at INR1,550 crores, which has come in at a competitive 7.5%. There was no fresh drawdown from NHB during the quarter two. We have 43 borrowing relationships.

The exit cost of funds as of September 30, 2026, stood at 7.7%. In terms of fixed and floating nature of our book, broadly 75% of our assets and liabilities are floating in nature. This gives us the ability to reprice our assets whenever the change in interest rate happens and we get passed on by banks or other floating -rate liabilities.

Undrawn sanctions as of September 30, 2026, is INR1,466 crores. Further, in this week, we have received a fresh sanction of INR1,000 crores from National Housing Bank. Liquidity at the end of quarter two FY 2027 stood at INR2,040 crores. The portfolio yield exit is 13.4% as at the end of quarter two FY 2027, and the exit spread stood at 5.73%.

Operating expenses includes a charge to the profit and loss of INR28 crores in H1 and INR14 crores in quarter two FY 2027 on account of stock options under the employee stock option scheme, which started in January 2026. This was given to employees at an exercise price of INR425 per share. Adjusted for this item, the cost to income is 33.9%, which is a year-on-year decline of 230 basis points, and 34% in H1 FY 2027, which is a year-on-year decline of 215 basis points.

The GNPA as of September 30, 2026, is 1.34% as compared to 1.42% in quarter two FY 2026, while the NNPA on AUM stood at 1% in quarter two FY 2027 versus 1% in quarter two FY 2026. The Stage 3 provision coverage ratio currently stands at a healthy 34.5%. Capital adequacy ratio for quarter two FY 2027 stood at 41.7% for Tier 1 and 0.5% for Tier 2.

For H1 FY 2027, the PAT has come in at a healthy INR591 crores compared to INR504 crores in quarter two FY 2026. For quarter two FY 2027, PAT has come in at INR308 crores compared to INR266 crores in quarter two FY 2026. Adjusted for ESOP cost, the PAT has grown by 22% in H1 and a growth of 20% in quarter two FY 2027. The quarter two FY 2027 ROA and ROE are 4.2% and 15.2% respectively.

Again, adjusted for ESOP cost, the ROA and ROE will stand at 4.4% and 15.8% for quarter two, and 4.3% and 15.5% for H1 FY 2027. The number of employees as at the end of September 30, 2026, on roll was 6,112 employees. We are reiterating that we are focusing on maintaining a healthy book and delivering a consistent performance on a quarterly basis.

With that, we can open up for further questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kunal Shah from Citi. Please proceed.

Kunal Shah: Yes. Hi. Seasons greeting to the entire team. So, three questions. Firstly, on GS2 in particular, anything to read into it in terms of the increase which has been there on a quarter-on-quarter

basis from 3.3% to almost 3.55%? So, anything to read into it, any particular states which are leading to this kind of an increase? So, that's the first question. Second question is on overall assignment income. So, that's been slightly on a higher side.

So, if you can just quantify in terms of how the overall assignment, the fresh assignment has been during the quarter, and is that traction going up? And thirdly, in terms of the overall cost of funds, so it's a rising rate environment, there is credit rating upgrade as well. Next quarter, we will have maybe the drawdown from NHB sanctions. So, how should we overall see the movement of cost of funds and spreads in the second half?

Rajesh Viswanathan: I'll take the third question, which is the easiest of the three questions. Kunal, heartiest season's greetings for the entire team over here. I think, as we said, in the current interest rate environment with RBI increasing the rates, and since majority of our borrowings also linked to being floating rate, approximately 75%, there is going to be a time effect by which this is going to flow down to us, whether repo linked, whether MCLR linked.

The best thing is that 75% of our assets are also floating. So, this gives us the ability to pass on the rates to the customers. As we have explained in the past, whenever we see the higher cost of funds coming into our balance sheet, maybe at maximum with a quarter lag, we will take it to the ALCO, and once the ALCO approves as per the RPLR model of the company, we pass it on to the consumer.

So, we have the ability to pass to the customers. So, to a great extent, our spreads will not be really impacted because of this interest rate scenario. There could be an impact of maybe a quarter, which is an interim timing effect.

Kunal Shah: But no decision on rate hike as of now, no?

Rajesh Viswanathan: No decision on rate hike as of now. We will have a meeting of the ALCO probably in the third quarter, probably in December or January, and we will take a call at that point of time, depending how about the RBI announcement happening in January. Your second question was assignment. The way of looking at assignment, Kunal, you will appreciate, is not only the fresh assignment income, but also the assignment unwinding, which happens in the interest line. The net impact of new assignment income and unwinding, Q2 versus Q2 last year, is only about INR10 crores higher. So in that sense, the way of looking at it is that the profit of the current quarter is only impacted because of assignment income by a INR10 crores impact (PBT Level) because of higher assignment that we have done.

Broadly, the way of looking at assignment is that probably during the year, we will probably end up doing around INR2,000 crores of assignment during the current financial year. This is in line with what we had predicted during the current year. Last year, we had done, I think, approximately INR1,700 crores-INR1,800 crores of assignment. Current year, we will be doing anywhere between INR2,000 Crore and INR2,050 Crore of assignment.

In terms of GS2, I think it is more of a seasonality sort of a moment. We are not seeing any specific state or any cause of undue worry in terms of this 30 basis points moment on the GS2. At least for now, we do not have any reasons for an undue sort of worry on that. And if you

look at it on a September 25 versus a September 26 basis, in fact, it is fairly comparable. I wouldn't read too much, and Rishi wants to add something on that.

Rishi Anand: No, I was wanting to just add the September year-over-year quarter-on-quarter, a 3.5 versus a 3.55. Kunal, I think Rajesh has already answered that question. I don't see too much of worry and not to be read between the lines, but it is more of a seasonality impact right now, and we are obviously closely monitoring the entire scenario.

Kunal Shah: Okay, got it. Because last September, it came down from 3.7 to 3.5, so I'm not sure if there is a seasonality. Last year from Q1 to Q1, it was down 20 basis points. This quarter, it is up 25 basis points, Yes.

Rishi Anand: Yes, you're right. But as I told you, since we are monitoring it very closely, and Rajesh also made that point that we are monitoring it by market, and we don't see any spurt happening in any particular market. And we're very confident of delivering the guidance numbers on a yearly basis that we've given. The teams are in control, money is coming in, so that's the situation.

Rajesh Viswanathan: See, as we look at it, I mean, just I'm pre-empting a question which may come up later in this call. I think we are quite confident. We have always been holding out a credit cost number as a guidance of 25 basis points. I think we are quite confident as we end the year, our credit cost will be aligned with the 25 basis points, and the headline NPA would be in the range of about 1.10%-1.15%. We are quite confident of drawing these back and the credit cost back to our 25 basis points as we end the financial year.

Kunal Shah: Great. Thanks. That answers all the question. Thank you.

Rishi Anand: Thank you, Kunal.

Moderator: Thank you. The next question is from the line of Sonal Gandhi from Asian Markets Securities. Please proceed.

Sonal Gandhi: Hi, team. Thank you for taking my question. Just for clarification, to start with, when you mentioned that 20% PAT growth, is that adjusted PAT growth for the ESOP cost or overall PAT growth that we see the reported PAT growth?

Rajesh Viswanathan: The 20% is after ESOP, is adjusted for ESOP cost.

Sonal Gandhi: Adjusted for. And sir, for how long will this cost continue in our P&L?

Rajesh Viswanathan: The ESOP which has been given is given in January 2026, and the way the accounting standard places that the cost should be taken, the value of the option should be taken over a period of five years. And typically, what will happen is the maximum charge actually comes in the first year, and as we go into year two, year three, year four, the charge on this keeps on dropping.

On a very theoretical sense, if value of the option is 100, theoretically about 40% of the cost comes in first year, and approximately 30% of the cost comes in the second year. The first and the second year which are material, third year onwards, the cost drops on drastically.

Sonal Gandhi: Third question was on disbursements. In home loans, obviously there is base impact also, but the growth seems to be very strong. But when I look at other mortgage loans or non-home loans, over there, the last four, five quarters, the growth has been lagging.

I understand that you have tightened the underwriting for non-home loans, but just going ahead, how should we see growth coming in non-home loan segment? And if you could just help us with the asset quality in home loans and non-home loan segments.

Rishi Anand: Sonal, yes, you are right. You recall that we had tightened other, which is non-housing loans in quarter four of last year. I had made this comment in quarter one as well that we have started to open the lever. If you look at the quarter one to quarter two performance, I think the number has moved from a 24% to a 26%. We have opened whatever levers had to be opened. From here on, I think by the end of this year, we should stabilize at about 28% odd.

Next year, we carry on to about 70%/30% as 70/30 home loan to non-home loan. That piece looks very comfortable. Yes, last year we looked at the markets very carefully, and hence we had shut down a few options of NHL funding that we used to do. As I told you, we have already opened that. I do not see any reasons why the numbers should not be back to about 28% by the end of quarter four.

Sonal Gandhi: Sure.

Rishi Anand: You had a specific part of the question?

Sonal Gandhi: Yes, on the asset quality or GNPA.

Rajesh Viswanathan: I think on the asset quality of GNPA, HL is broadly at 1%. NHL will be around 2%, and the blended comes in at 1.34%.

Sonal Gandhi: If you could just help with the number last year, same quarter?

Rajesh Viswanathan: It was 1.2% for HL and 2.01% for NHL.

Sonal Gandhi: Okay. Also, just one observation, in U.P. markets, the growth seems to be a little low and pretty strong in Karnataka. Are there any challenges that you're facing in this market?

Rishi Anand: Sorry, repeat the question. You will have to repeat the question, please.

Sonal Gandhi: Sir, U.P. market, when I look at your annual growth, it seems to be slightly lower at about 9% versus your blended growth at about 18%. Karnataka seems to be very strong. Obviously, the base is also lower. Are there any challenges that you are facing in the U.P. market?

Rishi Anand: Sonal, I don't see any challenge in the If I look at my numbers, disbursement growth in U.P. has been about 23%. Karnataka has been similar, 23%. I think it is all about, U.P. is a very old

book. That was the first state that we started. So, it is a vintage book, and rundown will be slightly faster. I think that is the impact that you are seeing. But broadly, on disbursement, as I told you, 23%, 24% in both the states.

Sonal Gandhi: Yes. That answers my question. Thank you so much.

Rishi Anand: Thank you.

Moderator: Thank you. The next question is from the line of Bharat Kumar Radhakrishnan from JM Financial. Please go ahead.

Arun: Hi, sir. Thank you for the opportunity. This is Arun from JM Financial. Just a couple of questions from my side. One, if you can give the disbursement growth that is expected for Q3, and if you have run rate numbers for maybe October currently for disbursement. That is my first question. The second is more on the insurance income piece.

With respect to the new IRDAI regulations, what kind of impact are you expecting, and how do you plan to offset that, et cetera? Then, with respect to the increase in Stage 2, just to clarify, you already answered the question, but do you see any particular geographies that are kind of showing any signs of stress that are coming up? These are my questions. Thank you.

Rishi Anand: Thank you, Bharat. Your first question was on disbursement growth Q3, and October numbers. October numbers, we are very comfortable. From an average of about INR800, we moved upward to about close to about INR900, so numbers are stacking up good. In terms of disbursement growth for the quarter, we are looking at a minimum of 20% growth for Q3, as I indicated in my statement as well.

Stage 2, while we have answered in detail, but your question was very specific to any particular geographies, and I answered that already, that no particular geographies we are seeing any undue movement in terms of Stage 2. Even if I would want to cover here that even on bouncing, which is my first line of defence, we are not seeing any undue movement across various states that we cater to today.

The third one on insurance, I think, these were draft guidelines. The entire industry has sent out their recommendation. We will have to wait out for the final guidelines to come in. Having said that, we work with multiple levers. There are levers like fee income, there are levers like Opex. If it were to be calibrated as and when the final guidelines come, we will do that calibration, ensure that our guidance number are stacked in comfortably.

Arun: Okay. All right. Thank you, sir.

Moderator: Thank you. The next question is from the line of Kishan Rungta from Emkay Global. Please go ahead.

Kishan Rungta: Thanks for the opportunity, sir, and congratulations on a good quarter. My first question is with regard to your cost of fund, because as you highlighted on the opening remarks also, that we have got the rating upgrade from all of the three agencies. How do we see the cost of fund

trending from here, though there is some rate hike, repo hike that we are going to factor in? Also, are we going to pass on some of the benefits to the customer? That is my first question.

Rajesh Viswanathan: I will take the first question. I think the way of looking at cost of funds post-upgrade is that we get the benefit twofold. One is on the rating when we do an NCD issuance. An NCD issuance of an AA+ versus an AA could be anywhere 20-30 basis points cheaper, you would be able to get that. Depending on the market, sometimes it is 10-15, sometimes it is 20-30, so you can look at an average of about 20 basis points.

The second is, more interestingly, it allows us to tap certain pools of lenders who normally do not lend to an AA company. For example, pension funds, for example, life insurance companies. They are more comfortable lending to AA+ companies, and they need at least two rating agencies for the AA+.

Now that we have had three rating agencies at AA+, it opens up new pools of capital, and you will appreciate pension funds and life insurance come in with a higher tenor. To that extent, it gives me more comfort on the overall ALM bit. Now, incremental cost of funds is always an input to our overall RPLR model.

In the current interest rate scenario, where on one side the interest rate is going up, banks will pass on the interest rate on my floating rate book, which is approximately 75% of the liability. There is one element of my incremental funds getting some benefit on NCDs on fresh placement. We will take all of this input, put it into our RPLR model, and post that whenever we see an impact occurring to the customer, positive or negative, we will pass it on.

Secondly, incremental cost of funds is more baked in into our incremental lending rate. If I consistently get incremental cost of funds at lower rate, this will benefit incremental lending of my consumers. As I said, RPLR model is the final source of truth.

If RPLR model shows a benefit to the customer, it gets passed on. If it shows an impact to the customer, it gets passed on the consumer. Currently, the interest rate scenario is such that invariably you will have the interest rate going up from here depending on the RBI rate hike. 75% of our assets and 75% of our liabilities are floating, and we have the full capability of passing the impacts back to the consumer.

Kishan Rungta: Thanks

Rishi Anand: There was another question where when will we pass the benefit to the consumer? We already addressed that. We will wait out till December and look at the RBI policy. Right now, the RPLR model within the company is not showing a substantial increase to be passed on to the consumer. As and when it happens, post-December, the internal ALCO will meet, and then at that time we will decide on how to pass.

Kishan Rungta: Thanks for such a detailed answer, sir. Second question will be with regards to your opening remarks on the calibrated underwriting in some of the geographies. Sir, if you can just give more color with regard to which geographies are these? Are these like the states where

droughts are declared, or it is like a business as usual, like you see some of the geographies where you haven't seen stress in the past or anything of such, sir?

Rishi Anand: When I said calibrated underwriting, I meant historically, we are a 15-year-old company. We have various experiences and differential experiences in differential markets. That is what I meant calibrated underwriting. For example, in East, for example, in Kerala, we always do calibrated underwriting. As far as you use the word drought, I would want to bring out a point here that out of about 88 high-priority districts under El Niño, we are available only in 30 districts.

Close to 5%-6% of my AUM would be in those districts. In those districts, our risk team is already looking at, and I made this statement that our first line of defence happens to be bounce. In the current cycle of EMI banking, that is what we are closely monitoring, that if bounce moves. Right now, it is completely stable.

Kishan Rungta: Got it, sir. Thanks a lot for such a detailed answer, sir. Wish you all the best for the coming quarters. Thank you.

Moderator: Thank you. The next question is from the line of Chirayu Maloo from Kotak. Please proceed.

Chirayu Maloo: Hi. Thank you for taking my questions. I have two questions. First one is on credit cost. In first quarter, you reported 41 basis points credit cost on average AUM, and you guided for 23 basis points - 25 basis points. Second quarter credit cost was 30 basis points, which was again higher than the guided range.

Was it again due to seasonality and an increase in Stage 2, or is there something more to read into it? This was my first one. The second one is more from a data-keeping point of view. First quarter, you changed the disbursement recognition method. Can I get the AUM and disbursement in absolute amount on the old methodology for the second quarter?

Rajesh Viswanathan: I will take the second call. Our guidance on credit cost is always an annual number. The annual number was 25 basis points.

Rajesh Viswanathan: We have shown 31 basis points for quarter two. We are confident of ending the whole year on 25 basis points on assets. On an AUM, it will be around 22, 23 basis points.

Rishi Anand: Yes. The second one, Chirayu Malu, the differential, the way you should look at it is when we entered the quarter one this year, financial year, the differential between what we used to do previous year versus this year is about close to about INR350 crores of reduced disbursement on account of moving to clearance.

Chirayu Maloo: Okay.

Rishi Anand: Yes.

Chirayu Maloo: And this time, what is the difference?

Rishi Anand: There is no more difference. Now, whatever is everything, the company has moved completely to clearance, there will be no more difference. When we move to the current financial year, if I were to compare Q1 FY 2026 and FY 2027, the differential would be about INR350 crores.

Chirayu Maloo: If I look at the number of disbursement on the old methodology for the second quarter, the number would be different.

Rishi Anand: It will be much higher. While I do not have a number what it could have been, because this is anticipation of what it could have been, on a safer side, maybe 200-250 crores higher.

Rajesh Viswanathan: We were accounting for disbursements on cheque handover. We moved to clearance on 1st of April.

Rishi Anand: Right.

Rajesh Viswanathan: What has happened is in quarter two, it has got evened out completely. Whether you do cheque handover or you do clearance, it has got evened out.

Rajesh Viswanathan: Because what happens is typically, if you do disbursement of INR100 in a month, approximately INR60 is cleared in the same month, INR30 gets cleared in the second month, and the remaining gets cleared in the third month. Once you come to this, and if you do the math from April, when you come into quarter two, you would see that in the quarter two, you would have evened out.

So technically, in quarter two, whether you are on cheque handover basis or on cheque clearance basis, it is a similar comparison. That is why we have not called out a separate number for cheque handover and clearance in quarter two. The impact was seen only at the end of quarter one.

Rishi Anand: Yes, if I can add to that, in the previous avatar, last financial year, we would typically, as a metric, monitor sanction, disbursement, cheque handover. In the current avatar, we monitor sanction, disbursement, and clearance. It is as simple as that.

Chirayu Maloo: Understood. Thank you for answering my questions. That is all from my side.

Moderator: Thank you. The next question is from the line of Laksh from Share India Securities. Please proceed.

Laksh: Hello. Thank you for the opportunity. Sir, I just had a couple of questions. Firstly, your branch addition has been seen declining. We have opened only four branches since last few quarters. Any specific reason for this, or will we go slow down on the branch additions going ahead? Secondly-

Rishi Anand: Laksh, okay, Yes, please continue. I will answer it together.

Laksh: Okay. Secondly, our BT out has been 5.1% this quarter as compared to 5% in the previous. How should we read into this since you also mentioned in your opening statement that we are seeing increased competition?

Rishi Anand: Okay, first question first. Thank you, Laksh. Branch addition, our guidance to the market and to all of you has been that we will add 40 to 50 branches for the current financial year. We have added about five, six branches as we speak, and there are close to about 40 branches in pipeline, which will be various category of branches. We should be definitely ending the year anywhere between 40 - 50 branches. That commitment stands.

BT out, 5%-5.1%, again, seasonality, generally in the quarter one of the financial year, the BT out activities are low, and it is quarter two, quarter three onwards when it picks up. I think we are in a very comfortable position. We have shown a 40 basis points drop on a Y-o-Y basis. There is a 40 basis points drop on annualized BT out percentage.

I will not link it to competition, because primarily competition, because I think the industry today hovers around 6.5%, 7% BT out percentages. We have controlled through our data analytic and AI initiatives, and obviously, there is a team out working on it. 5%, 5.1% is a very comfortable number to be in.

Laksh: Okay, sir. Thank you for the detailed answer. Wish you a happy Diwali in advance and good luck for the year. Thank you.

Rishi Anand: Thank you so much. Bye-bye.

Moderator: Thank you. The next question is from the line of Devesh Trivedi from Omega Portfolio. Please go ahead.

Devesh Trivedi: Yes, thank you for the opportunity. There was an article suggesting that NHB may increase its outlet towards the affordable housing finance companies. If this materializes, then what kind of benefit we can expect in terms of source of funds?

Rishi Anand: Okay. Devesh, yes, we read the article. We have been engaging with NHB. There is no circular from NHB as yet on an increased outlay, so I will leave media reports to media. But post that, obviously, we are engaging a lot with NHB, and hopefully, indications are on a very positive side, but there is no number to it right now.

Devesh Trivedi: Oh, okay. Okay. Understood. Thank you.

Rishi Anand: Thank you, Devesh.

Moderator: Thank you. The next question is from the line of Shreya Shivani from Nomura. Please proceed.

Shreya Shivani: Yes, hi. Thank you for the opportunity. I have two questions. My first question is on the LAP book. Quite a few of our customers on the LAP side will be business owners. Do we, in any way, have an idea of how many of them have any agri-related businesses that they are a part of? My second question would be, you had shared your 1+ DPD last quarter, which was at about 7% or so. If you can share that number for October or for September, that will be useful. Thank you.

Rishi Anand: Thank you, Shreya. The first question was on LAP businessmen. We extend LAP to businessmen, you're right. Are they exposed to agribusiness? That's slightly difficult to find out on what percentage of our LAP book will be exposed to agribusiness. Let me give you a very different perspective to it.

In our credit policy underwriting, a norm is very clear that if a customer has an exposure to agri or allied seasonality income, that is capped to 25%. So, he has to have 75% of income, which is other business income and a regular flow income. We apply a 55% FOIR on it. Even if there is agribusiness of 25%, we leave sufficient money in his pocket to run his daily needs.

From a perspective of pure agribusiness, if that's where the question is leading to, we are very comfortably positioned as our credit policy caps it at 25%. Second question on 1+, straight answer, it is very flattish. We are in a comfortable zone.

Shreya Shivani: All right. I think that was quite useful. Just a clarity, that capping that you said of 25% of the customer's income, more than 25% cannot be from agri and any other form of seasonal businesses, right?

Rishi Anand: That's right.

Shreya Shivani: Not just agri. Okay.

Rishi Anand: Yes, that is right.

Shreya Shivani: Okay, that is useful. Thank you so much and all the best.

Rishi Anand: Thank you, Shreya.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rajesh Viswanathan: Thank you all for coming in late on a Thursday evening for this call. Hopefully, we have answered all your questions. In our view, we have delivered a strong quarter two, and the initial trends of quarter three look very encouraging. Hopefully, we will have a good quarter three, and we can meet up for a conference late January, early February. From the side of Aadhar management, wishing everyone on this call a very Happy Diwali and a very prosperous New Year. Thank you for joining in. Thank you. Good night.

Rishi Anand: Thank you so much, everyone.

Moderator: Thank you very much. On behalf of Aadhar Housing and Nomura, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.