Ref. No.: LIFL/SLC/2026-27/38
Date: August 26, 2026

To,
Listing Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001(Maharashtra)
Scrip Code: 544465

To,
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051(Maharashtra)
Symbol: LAXMIINDIA

Sub.: Transcript of Investors/Analysts meeting held on Thursday, August 20, 2026

Dear Sir / Madam,

In continuation to our letters dated August 17, 2026 and August 20, 2026, we hereby inform you that pursuant to Regulations 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Investors/Analysts meeting held on Thursday, August 20, 2026 at 02:00 P.M. has been uploaded on the website of the Company.

The same can be accessed at the following link:

https://www.lifc.co.in/uploads/Transcript.pdf

A copy of the transcript is annexed herewith.

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,

For Laxmi India Finance Limited
(Formerly known as Laxmi India Finance Private Limited)

SOURABH MISHRA
Digitally signed by SOURABH MISHRA
Date: 2026.08.26 18:56:43 +05'30'

Sourabh Mishra
Company Secretary & Chief Compliance Officer
M. No.: A51872

“Laxmi India Finance Limited
BFSI Day – Go India Advisors”
August 20, 2026

MANAGEMENT: **Mr. Deepak Baid** – Managing Director
Mr. Gopal Krishan Sain – Chief Financial Officer
Mr. Kuldeep Singh Sikarwar – Chief Business Officer
Mr. Piyush Somani – Chief Treasury Officer

Rajat Gupta (Go India Advisors):

Good afternoon, everyone, and welcome to the GIA BFSI Fintech virtual half-day event. Thank you all for joining us today. Over the next three hours, we will hear from three companies across the BFSI and fintech space, each representing a distinct economic model within one large and growing credit opportunity.

That opportunity is the formalization of credit in India. As credit demand continues to rise, the industry is grappling with four key questions: how capital is being deployed efficiently, how underwriting quality is being maintained at scale, how distribution economics are evolving, and where alternative sources of capital are coming from.

Today, we have three companies, each addressing these questions from a very different vantage point. One is in MSME and retail lending, specifically secured MSME and retail lending. One is in digital loan origination and distribution, and one is in real-estate and infrastructure credit and fund management.

Each session will include a management presentation followed by a Q&A. Everyone can use the chat or raise-hand function to submit questions during the session. With that, I would like to begin the session with the management of Laxmi India Finance.

I am pleased to welcome you all. From the management team, we have Mr. Deepak Baid, the Managing Director; Mr. Gopal Krishan Sain, the Chief Financial Officer; Mr. Piyush Somani, the Chief Treasury Officer; and Mr. Kuldeep Singh, the Chief Business Officer.

Deepak sir, we would love for you to take us through the company's journey, the journey so far for Laxmi India Finance, the key growth levers you are focused on going forward, how the business performed in Q1, and your views on the road ahead. Over to you, sir.

Deepak Baid (Managing Director, Laxmi India Finance):

Thank you, Rajat, and welcome, everyone. Thank you for giving us the opportunity to tell you about the company and explain how we have built it.

First, I want to tell you about our background. Laxmi India Finance Limited is a Jaipur-based NBFC, and we are in the secured-lending business.

We have 196 branches across six states: Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, and Maharashtra. We have a presence in rural and urban areas, with almost 2,000 employees across the six states.

If I talk about the background of the company, my father started this business in 1991 as a wheels business. At that time, it was a proprietorship firm. The business was going very well, and we were well established in the Rajasthan market.

Unfortunately, we lost him in 2000. I joined the company in 2000; I was studying in the eleventh standard, but I accepted the challenge. I divided my routine between school in the morning and afternoon, the office in the afternoon and evening, and tuition classes in the late evening. This was the main source of livelihood for the family, so I thought about expanding the business to the next level.

We started opening branches in different areas of Rajasthan. We then joined hands with other NBFCs and banks for business opportunities in other segments, such as new vehicles. We joined hands with HDFC Bank as a channel partner for Rajasthan under AU, and then we joined hands with MAS Finance as well. Our strategy was to keep the refinancing business on our own book and place the new-vehicle business with HDFC Bank and MAS Finance as co-partners in a co-lending business.

This went very well. In 2010, we decided to establish our own NBFC, work through our own NBFC, and build our own book. We acquired a company called Laxmi India Finleasecap Private Limited. In 2011, we started operations under a new name and a new brand.

Gradually, as we expanded across Rajasthan, we found that loans for vehicles and other businesses were also required and in demand.

We thought we could start giving loans to SME customers against collateral for the expansion of their businesses. This went very well, and we started building a good book in the SME segment. These loans are 100% secured, with an LTV of 45–50%. Generally, the properties are residential or commercial.

Once we were well established in Rajasthan, we thought we should establish a presence outside Rajasthan as well. We started operations in Gujarat in 2019, Madhya Pradesh in 2020, Chhattisgarh in 2021, Uttar Pradesh in 2025, and Maharashtra in 2026.

We are primarily present in rural areas. Our target customers are from semi-urban and urban areas as well, particularly customers in the non-income-documentation, NIP, segment. These customers may not have formal documents, but they have good business turnover and transaction activity. On that basis, we sanction loans to them.

My primary focus from day one has been team building. We have a very strong team today, with approximately 2,000 employees. Our KMPs and senior management personnel have been with the company for more than four, five, and in some cases six or seven years. This reflects the trust we have built with our team.

The second focus area is the business. Our main business is secured lending. We have seen that secured lending has never suffered a significant setback, whether during COVID-19, the introduction of GST, or demonetization. Secured lending has been the best-performing business and has delivered the best returns.

This has been our main business segment. Today, MSME and SME loans together account for approximately 80–82% of our business.

The third focus is to expand across India. We want to build a presence across the country. Given the size of our company, we have good scope to grow our business in rural and urban areas in other states as well. We still have a good opportunity to establish ourselves in Uttar Pradesh and Maharashtra, where we have recently opened branches.

This can take us to the next level. It will also improve our costs and efficiency. Credit underwriting is the most important part, and we have not compromised on it. We use a lot of technology, from day one through the end of the process. From onboarding until the organization issues a no-objection certificate to the customer, everything is monitored, cross-checked, or verified through different APIs and systems.

We have a very strong underwriting process. Collections are important because it is easy to distribute money and very difficult to recover it. We have therefore kept ourselves very strong and maintained close oversight of collection numbers. We specifically focus on collecting on time.

One of the most important requirements for growth is a strong liability franchise. We currently have more than 50 lenders, including banks and NBFCs, that provide us with funds.

Our rating was previously in the A- category, and it was recently upgraded. Our cost of borrowing has consequently declined, and we expect it to decline further in the coming years.

I also want to highlight our board of directors. We have a very strong board and strong committee members with experience in the lending business. They include individuals who have retired from positions such as general manager, executive director, or director at different banks and organizations.

We regularly receive guidance from them, hold strategy meetings with them, and benefit from their knowledge. They are key drivers for us and continue to help us grow and provide good guidance.

Finally, I would mention governance, which is most important in any NBFC. We are very strong on governance. We are prompt in responding to any new requirement that comes to the market.

We maintain high standards and follow the governance framework very strongly. This is a brief overview of the company, my background, and my experience. Regarding our products, I would like to invite Kuldeep Singh Sikarwar, our Chief Business Officer.

He can explain the products in more detail. Kuldeep, please go ahead.

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

Thank you, Deepak Sir. Good afternoon, everyone.

On the product side, we are continuing with MSME, which is the biggest product in our focus area.

This is followed by the vehicle business, where we finance used personal as well as commercial vehicles. We also have a small presence in personal loans and business loans. In addition, we have recently started wholesale lending.

We provide funding to some NBFCs through this wholesale-lending product. However, our main focus will be the MSME secured business, supported by our deeper branch presence in Tier 2 and Tier 3 cities across the states. We have divided our branches into three categories: Tier 1, Tier 2, and Tier 3, with different sets of branches in each category.

Our process is completely digitalized. It starts with the onboarding journey, lead creation, and application submission. The sanctioning process also takes place through the application. All KYC and verification processes are conducted digitally. The only manual part currently involves the customer signing the agreement and the disbursement kit, which we will move to an electronic method very soon.

The complete onboarding and customer-service process is therefore digital. Our branches are the service providers and the frontline service providers for customers. Sourcing, collections, and customer service all take place at the branches.

We also have a hub model, in which the hub supports the branches with customer disbursements. We achieve economies of scale through the hub-and-branch model and expand through clusters. Six branches report to one cluster.

This makes it easy to expand and manage the branches productively. Whenever we want to expand into a new territory or an existing state, we use the cluster model, which makes it easy for one cluster to manage six branches.

Another USP of Laxmi India Finance is that we are a multi-product company.

We offer MSME secured lending to customers, and we also provide vehicle finance to our existing customers. Whenever a customer approaches us, we can identify whether the customer requires MSME secured funding, vehicle funding, or another product. We can therefore serve our customers better by offering different products.

That is all from my side. Thank you. I now request Gopal Krishan Sain to continue.

Gopal Krishan Sain (Chief Financial Officer, Laxmi India Finance):

Thank you, Kuldeep, and good afternoon to everyone. I am Gopal Krishan Sain, Chief Financial Officer of the company. I have been associated with the organization for the last four and a half years.

I take care of the accounts function as a whole. I would like to take one or two minutes to give you a brief overview of our Q1 performance.

Our AUM increased by 27% year on year and reached ₹1,721 crore.

Disbursements also showed an increasing trend and increased by 38%. In Q1, ₹230 crore was disbursed. We closed Q1 with a profit of ₹16.43 crore, reflecting a 70% increase.

On the ratio side, return on equity was 13.86%, ROTA was 3.45%, NIM of 11.36% and GNPA was 2.08%.

With that, I will hand over to Piyush to add something on the liability side.

Piyush Somani (Chief Treasury Officer, Laxmi India Finance):

Thank you, Gopal. Good afternoon, everyone.

I am Piyush Somani, and I head the Treasury vertical for the company. The best part of Laxmi India is that we are diversified in terms of borrowings from both banks and NBFCs. We have tried various instruments for raising funds, which are the raw material for our business.

As of today, cost of borrowing is one of the challenges that NBFCs face. Before the IPO, our cost of borrowing was approximately 11.73%. As of now, we are borrowing at approximately 10.48%. This is one of the best improvements we have achieved over the last 12 months.

Our liability franchise is increasingly bank-centric and less dependent on NBFCs, which should help keep the cost of borrowing on a declining trend. Approximately 80–82% of our total borrowing is sourced from banks, with the balance sourced from NBFCs.

We have tried and tested various instruments in the market. These include listed NCDs, which we have issued in the past and will continue to use in the future. We are undertaking listed NCD transactions as part of our funding structure.

Second, we have tried and tested direct-assignment transactions approximately ten times. We have conducted these transactions with various banks and NBFCs. The gross amount involved is approximately ₹320 crore.

Direct-assignment transactions are undertaken to support asset-liability management and liquidity. We sell pools with a residual maturity of more than four years.

In addition to NCDs and direct-assignment transactions, we also raise funds through term loans. We have working-capital limits from various banks. As of now, approximately 28–29 of our lenders are banks, with the remainder being NBFCs.

Taken together, we have approximately 50–53 lenders. Thank you.

Rajat Gupta (Go India Advisors):

Thank you. We will now begin the Q&A. If anyone has any queries, please raise your hand.

Before that, I already have a question concerning asset quality and the Upmoney issue. One participant is asking for an update on the Upmoney issue. Could you briefly explain the current status?

Deepak Baid (Managing Director, Laxmi India Finance):

Regarding Upmoney, we had an approximately ₹18–19 crore book exposure. We are working toward a resolution. We are in touch with the relevant parties and are discussing a resolution with them. We have also filed a case and are confident that the outcome will be in our favour.

Once we receive an order in our favour, we will be able to recover the money more quickly from the customer and directly from the relevant party. In the meantime, we have made a provision of approximately 70% as of the last quarter, Q1 ending in June. The remaining provision is approximately 30%.

If recovery does not take place, we will also provide for the remaining amount. We are in touch with the local team and local representatives and are making our best efforts to recover the amount as soon as possible.

We have already made a 70% provision, so we are well covered from a provisioning perspective.

Rajat Gupta (Go India Advisors):

What were the gross NPA numbers with and without the Upmoney exposure? I believe the figure was below 1% without Upmoney and approximately 2.13% with it, although I may be mistaken.

Gopal Krishan Sain (Chief Financial Officer, Laxmi India Finance):

Including Upmoney, gross NPA is 2.08%. Excluding Upmoney, it is 0.83%, which is below 1%. The portfolio is very healthy.

Deepak Baid (Managing Director, Laxmi India Finance):

Our NPA is well controlled. The Upmoney issue has created this distortion, but otherwise the overall book is performing well.

Rajat Gupta (Go India Advisors):

The next question concerns vehicle finance. Given that vehicle finance does not represent a significant portion of our business because we are primarily focused on MSME lending, what competition do we face from public-sector banks, small finance banks, or private-sector banks, particularly in the geographies where we operate?

Public-sector banks are reporting strong numbers, so that is the context of the question.

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

There is competition between us and the other small finance banks and public-sector banks. However, the funding criteria of public-sector banks and small finance banks are different. They generally focus on customers who already have multiple vehicles.

We can fund a customer who has only one existing vehicle. They also do not focus as much on used vehicles, whereas we focus completely on used vehicles. Therefore, the competition is somewhat reduced.

Our presence is also deeper than that of public-sector banks and small finance banks. Compared with these banks, we have a greater presence in Tier 2 and Tier 3 cities. In fact, we also cover tehsil locations and small towns, which are not always covered by public-sector banks.

Small finance banks are mostly present in district-level locations rather than rural areas, tehsils, small towns, or medium-sized towns. We are present everywhere. In Rajasthan, for example, we are currently present in 94 locations.

Our deeper presence helps mitigate competition. Secondly, we are more focused on the service aspect. We visit the customer's location and provide doorstep service, whereas public-sector banks and small finance banks do not provide the same level of service.

This is our customer-first approach. We go to the customer and provide doorstep service. Public-sector banks generally do not visit customers directly; they depend on dealers and brokers. That is the difference.

We therefore have an advantage over public-sector banks and small finance banks.

Deepak Baid (Managing Director, Laxmi India Finance):

I want to add one point. Having direct branch offices in rural and urban areas, especially, gives our customers significant comfort. Banks and other large NBFCs do not have the same reach to customers.

This is a major positive for us. We have a good number of branches and can reach customers directly. Turnaround time is also important. In vehicle finance, customers generally do not want to wait; they want fast service.

Our turnaround time for used-vehicle disbursements is approximately 24–48 hours. We can disburse used-vehicle loans within 24–48 hours, whereas other banks and NBFCs may not be able to maintain the same turnaround time.

This is a very positive factor for Laxmi India Finance.

Rajat Gupta (Go India Advisors):

The next question concerns growth. We have a relatively small base of approximately ₹1,600–1,700 crore, and in Q1 we grew by around 28%.

Our medium-term target is approximately 30% CAGR growth in terms of AUM. Do you think we can achieve 30% growth while maintaining underwriting discipline, or is there scope for more?

Deepak Baid (Managing Director, Laxmi India Finance):

We have guided to approximately 28% growth. That is a strong number because Q1 is a little slow, but we still achieved 28% growth.

We have recently opened new branches across different states, particularly Uttar Pradesh and Maharashtra. Their productivity is now beginning to develop. Our existing branches are also maturing.

We currently have 196 branches. Maintaining 30% CAGR growth should therefore not be a challenge in the coming months and on a year-on-year basis.

Our book of approximately ₹1,700 crore is still relatively small. Achieving 30% growth on this base should not be difficult, which is a positive point.

We also have significant scope for expansion and the opportunity to establish a presence in other states and provide our products to customers there.

We believe there will be significant growth at Laxmi India over the next couple of years, and we can achieve it.

Rajat Gupta (Go India Advisors):

There is a follow-up question on the same point. MSME lending is clearly expected to grow, but what about vehicle finance, tractor finance, and consumer lending? Are these segments expected to drive the momentum?

MSME lending will probably be the primary driver, but in which geographies and segments do you expect the majority of AUM growth to come from? Is it primarily MSME lending?

Deepak Baid (Managing Director, Laxmi India Finance):

The main growth will come from MSME because our main product is MSME. We are present across six states and have 196 branches. We are doing vehicle-finance business in a limited number of branches. In Rajasthan and in some parts of Gujarat and Madhya Pradesh, we are doing vehicle finance. Otherwise, our main core product is MSME, which we offer across the states in which we operate.

I believe maintaining this credit cost will not be a challenge because of two or three things. First is the technology we are using. Second is what we take from customers, particularly our credit-underwriting process. It is a different and highly secured way of taking a credit decision. Third, we take the complete family into the deal.

This is different from what other NBFCs do. At Laxmi, we take the complete family. For example, if a father has two sons, their wives, and a mother, we take everyone into the deal as a borrower or co-borrower. I think this is a USP for us because the customer's intention to default becomes very low.

Lastly, we take only self-occupied property as security, whether residential or commercial. The customer will not let go of that property under any circumstances. Therefore, maintaining this credit cost and maintaining this MSME platform should not be a challenge for us. We will be able to achieve this target on a year-on-year basis.

Rajat Gupta (Go India Advisors):

The next question is about yield. We are lending at around 22%, with a credit cost of 1%. Prabal wants to understand the ticket sizes in MSME loans, the underwriting and collection process, and our typical bounce rate. Could you explain how the collection and underwriting mechanisms work?

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

The typical ticket size we are currently offering in the secured MSME vertical is ₹6–6.5 lakh. As already explained, the typical underwriting process takes place through the applicant's mobile application, with all KYC verification, a banking aggregator, CKYC, and bureau checks. We have a robust mechanism to process and filter cases. That is why the credit cost is around 1%, compared with the yield that we maintain.

If we receive any benefit in terms of rates from lenders, we will definitely pass on some of that benefit to customers, which will also increase our business.

Our bounce rate is around 30% as of now, and out of that 30%, we are closing approximately 93–94%.

The PAR 30 figure is around 7%. We are maintaining a healthy portfolio in terms of underwriting while also maintaining the same yield.

Rajat Gupta (Go India Advisors):

Could you also provide the segmental yields for LAP and vehicle finance? That would be helpful, along with the overall segmental names, if you have those figures.

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

The yield on the secured MSME business is 32.48%. This is based on the June closing. The vehicle segment generates a yield of 19.87%, wholesale lending is around 16%, and personal and business loans generate approximately 14–15%.

Rajat Gupta (Go India Advisors):

Piyush, the next question is for you. It is mainly about private-sector banks and public-sector banks. What is the split of bank funding between private-sector banks and public-sector banks? You recently onboarded ICICI Bank, so could you provide some details on that?

Piyush Somani (Chief Treasury Officer, Laxmi India Finance):

One aspect is the cost proposition. Since we are in a growth phase, we are focused on obtaining loans with a higher tenor. We provide onward lending for approximately four to five years, so our weighted tenor for borrowings is around 53 months. This is possible because of bank funding, whereas NBFCs typically fund us for 36–48 months in order to manage their portfolios.

To manage the cost proposition, we are more focused on banks and are also consolidating our limits.

Rajat Gupta (Go India Advisors):

In the meantime, anyone with a question may raise their hand, but I am taking questions from the chat box. The next question concerns the expansion of product verticals.

The news has also come that Aditya Birla Capital is going to enter gold loans and is opening approximately 1,000 branches. Capri is also doing well, and it opened branches approximately two and a half to three years ago. Are there any plans to expand into gold loans, unsecured loans, or top-up loans? What are your plans for entering new business verticals?

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

We are also exploring some new products. For personal loans, we want to move the complete journey to a digital method. We are preparing and developing an application through which the customer can onboard himself or herself without any human intervention.

Credit assessment will take place within the application. Based on the bank aggregator and the salary certificate, cross-verification with banks will happen automatically. The bureau information and the customer's obligations will also be fetched automatically. The overall calculation will be completed immediately, and we will then present the offer to the customer.

This will not be a small-ticket personal loan. It will not be a loan of the kind offered by other applications, such as an advance-salary loan or another small-ticket personal loan. We will provide loans to professionals who have continuity in their service and a regular salary. The complete onboarding process will take place digitally.

This is one product we are considering. In secured MSME lending, we have developed another product that requires only approval from the board. We will focus on subprime customers. Our current yield is around 21–22%, but for this product we will require documented income from the customer.

This will further improve the quality of the portfolio while allowing us to maintain the yield from our other products. It will therefore increase the organization's portfolio.

These are the two products we are currently considering. We also had plans to expand into supply-chain financing, but we have put those plans on hold because of recent RBI notices and developments concerning revolving credit. We have put that product on hold. We are also considering other products, including gold loans.

We have conducted complete research on gold loans. However, this business will require capital expenditure, so it is currently on hold. If we develop the capacity to incur that capital expenditure, we will enter the segment.

Rajat Gupta (Go India Advisors):

This covers the product verticals. In terms of geography, we recently entered Maharashtra. Are there any other plans to expand? How do you view the current geographical expansion?

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

We are present in 94 locations in Rajasthan, 24 locations in Gujarat, and 44 locations in Madhya Pradesh. We are present in approximately 14–15 locations in Uttar Pradesh and only 6–7 locations in Maharashtra.

There is very good scope and significant untapped potential in Madhya Pradesh, Gujarat, Maharashtra, and Uttar Pradesh. Chhattisgarh is a relatively small state, so we do not want to expand much there. We expect to have approximately 15–20 branches in Chhattisgarh, and as of now we have around 10 branches.

Madhya Pradesh, Gujarat, Uttar Pradesh, and Maharashtra—especially Maharashtra and Uttar Pradesh, where we have recently started operations—have significant untapped potential. We want to tap that potential first, and then we will consider expanding further within those states.

We also have plans to move into other states. We are currently present in only six states, so there are other untapped states as well. It will definitely be a goal for the near future.

Rajat Gupta (Go India Advisors):

The next question is about the co-lending side. What is our view on co-lending?

Deepak Baid (Managing Director, Laxmi India Finance):

As of today, we do not have any co-lending arrangement or co-lending agreement with any bank. However, we have a plan to enter the co-lending business in the future.

The reason is that we receive buyout cases. We can forward those cases to a bank and generate an additional source of income. That is the plan we have in mind.

At present, we do not have any co-lending arrangement with banks or small finance banks. We have recently raised capital, so we have sufficient capital, and our leverage is not high. Our net leverage is approximately 2%.

We therefore have scope to grow our own book, and that is what we are planning to do right now. In the future, when required, we can join hands with a banker, add this product, and undertake co-lending.

Rajat Gupta (Go India Advisors):

The next question is from Manav. He is asking about branch-level economics by region. I am not sure whether you have this number, but could you provide the overall branch-level economics and explain what percentage of branches have been tested across the cycles the NBFC has gone through?

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

I will first explain the branch model. A typical branch has five to six relationship officers, one disbursement officer responsible for operations, and one branch manager.

This is the typical structure. We have categorized our branches into three categories: Tier 1, Tier 2, and Tier 3. Tier 1 branches have approximately 6–7 or 7–10 relationship officers. Tier 2 branches have approximately 5–6 relationship officers, and Tier 3 branches have 3–5 relationship officers.

This is the only difference, and it is based on the potential of the particular location. Accordingly, we maintain the required resources at the branch level. We identify the premises according to the category of the branch.

Six branches together form a cluster. We follow a circular formation in which the cluster manager can visit one branch in the morning and return to the cluster location in the evening. The distance between the cluster location and a branch is approximately 100–200 kilometres and not more than that.

This is the cluster formation. One or two clusters report to the ASM, the ASM reports to the ZSM, and the ZSM reports to the CBU. This is the complete hierarchy in terms of the branch model.

In terms of branch economics, a typical branch reaches break-even in approximately 7–9 months when its AUM reaches around ₹1.5–2 crore. Branches can generally achieve this in 7–9 months.

Branch expenses include the salaries of the relationship officers, the branch manager, and the disbursement officer, as well as branch rent and regular petty expenditure. These expenses are approximately ₹1.5–2 lakh per month on average. Break-even can therefore be achieved in 7–9 months when the AUM reaches around ₹1.5–2 crore. That is the economics of the branch.

Rajat Gupta (Go India Advisors):

As a follow-up question, could you provide a breakdown of employees in terms of sales, collections, and underwriting across the company?

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

We have approximately 900 people in sales. Around 200 people are in collections, approximately 60 people are in credit, and around 150 people are in operations. This accounts for the rest of the back office as well. Overall, we have more than 2,000 employees.

Rajat Gupta (Go India Advisors):

Prabal has another question following up on his initial question about credit cost. In which period did we see the highest credit cost, what was the number, and how have we been able to keep NPAs below approximately 1% despite the bounce rate being so high?

Deepak Baid (Managing Director, Laxmi India Finance):

I believe it was September. September was the period when our collections declined, reaching approximately 89% overall. Afterwards, collections picked up again.

I do not remember the exact quarter-on-quarter figures, but in March we closed at approximately 93.20%. Currently, collections are also above 92%.

We are very focused on collections and on getting a good response from our customers. I think most of the questions have been answered.

Rajat Gupta (Go India Advisors):

I do not see anything missing. There was a question regarding the RBI draft on NBFC lending and its impact in light of the current product portfolio. He is referring to the revolving-credit circular.

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

As of now, none of our products constitute that type of credit facility, so it is not impacting our business. This circular does not affect us at all.

Rajat Gupta (Go India Advisors):

Yes, sure.

Deepak Baid (Managing Director, Laxmi India Finance):

Most of our book is retail, and retail loans are generally small-ticket in size. We are therefore comfortable on both the collections side and the distribution side. We are also well diversified.

Rajasthan will constitute a major portion of the business because it is our home state. However, our other states are also growing and contributing to the numbers. Month-on-month disbursements are increasing, which is encouraging.

The positive aspect is that we are able to maintain portfolio quality through small-ticket secured loans. This will remain a key focus area for us in the future.

Rajat Gupta (Go India Advisors):

What safeguards have you implemented following the Upmoney issue? Have you reduced your DA transactions, or will you continue with them despite the issue?

Deepak Baid (Managing Director, Laxmi India Finance):

The Upmoney incident was very unfortunate for all of us, and we continue to regret it. Nevertheless, we have confidence in ourselves and in our team. Something was missed on our part, but we have strengthened our checkpoints.

We have increased our checkpoints and strengthened our due-diligence process. We now obtain data on a monthly and quarterly basis, conduct reviews, and have also placed a restriction on ticket sizes.

These are the measures we have taken regarding DA. We have made changes to our overall DA policies. We are also in discussions regarding Upmoney, and we hope to resolve the matter.

Kuldeep Singh Sikarwar (Chief Business Officer, Laxmi India Finance):

I also want to add something. Earlier, the issue was in Punjab, and Punjab was the reason for it. Following the Upmoney issue, we have restricted our activities to our existing geographies.

We will take cases only from our existing geographies so that, in the event of any such incident, we can collect the money more easily. We also keep the security in our custody.

For secured MSME loans, we obtain all the property papers and every other relevant document and retain them in our custody. This is the additional measure we have incorporated into our due-diligence and security processes. I think most of the questions have been answered.

Rajat Gupta (Go India Advisors):

If you have any closing comments on the company's growth and outlook, that would be helpful. Please take two or three minutes.

Deepak Baid (Managing Director, Laxmi India Finance):

I believe the growth plans we have provided are achievable. With our 196 branches, plus the additional branches we plan to open this year, we should be able to reach our targets. We plan to open approximately 30–35 more branches during this financial year, and our existing branches are also maturing.

We believe we can achieve the numbers provided in our guidance. A few things distinguish Laxmi India. The first is the promoter's skin in the game. The promoter has a significant holding in the company and is working day and night for the company's growth.

It is a positive factor that the key promoter is directly involved in the business, takes care of it on a daily basis, and has made a significant investment in the company. He is therefore able to take conscious decisions.

The second point is our diversified lender base. We are very well diversified on the lender side, which is very important. Our new borrowings are now coming from banks, especially public-sector banks and private-sector banks. This is important for our future growth.

Our book is also well diversified. One product accounts for approximately 80% of the book, but that 80% is distributed across six states and across different areas within those states. That is a significant strength.

We also maintain a healthy LTV. LTV is important because we do not want the customer to lose the property or treat the property as something that can simply be given up. We do not want to operate in that manner. We therefore maintain a healthy LTV.

The team is also very important. We have a very well-trained and experienced team. Our margins are healthy, and the ROTA we maintain is also healthy. Our target ROTA is approximately 4%, while our current ROTA is around 3.45%.

We have good plans to reach the 4% level. To do that, we have to work hard, reduce our cost of borrowing, reduce our operating cost, and work on our salary costs. We are working on all of these areas, which is a positive for the company.

Given the size of the company and our presence, achieving multiple growth in a year or two should be possible. Our limited presence across India gives us a good opportunity to grow in other states as well.

We have demonstrated the profitability of our branches in other states, too. We are now strong enough internally to perform outside our main territory. That is also a positive factor.

Finally, technology is important. The technology and AI that we use in the company are at an advanced level. This will help us reduce costs and make our work more efficient. The objective is not to reduce costs by removing employees, but to reduce costs and make the work more efficient.

This is a very positive aspect. That is all from my side. If you have any questions, you can ask them. I think the majority of the questions have been answered.

Rajat Gupta (Go India Advisors):

You were also mentioning the cost of borrowing. One question has come in at the last minute. The cost has reached 10.6%. What is the scope to reduce it further?

If the ratings improve and you onboard new banks and new sources of borrowing, leading to further diversification, what is the scope for reduction? From 10.66%, where do you see this number ending?

Piyush Somani (Chief Treasury Officer, Laxmi India Finance):

We are working very hard while keeping the global scenarios in mind. I believe everything is intact and that the RBI is not likely to increase the repo rate further.

We expect a further reduction of approximately 22–25 basis points during this financial year.

Deepak Baid (Managing Director, Laxmi India Finance):

New banks have also been added at a very low cost, including ICICI Bank. One of the largest private-sector banks has now been onboarded at a very competitive cost.

The cost is almost 10%, which is a good level. City Union Bank has also been added, and more banks are in the pipeline. Once we begin receiving sanctions at 10% or below 10%, our overall cost of borrowing will come down.

Rajat Gupta (Go India Advisors):

Thank you. Thank you very much for your time.