

May 07, 2026

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 544044	To, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 NSE Symbol: INDIASHLTR
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Subject: Transcripts of the Earnings Conference Call on the Audited Financial Results for the quarter and financial year ended March 31, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcripts of the Earnings Conference Call on the Audited Financial Results for the quarter and financial year ended March 31, 2026, held on May 04, 2026. The same have also been made available on the website of the Company.

The transcripts can be accessed at the following link:

<https://www.indiashelter.in/investor-relations>

Kindly take the above information on records.

Thanking you,
Yours faithfully,

For India Shelter Finance Corporation Limited

Mukti Chaplot
Company Secretary and Compliance Officer
M. No.: 38326

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: L65922HR1998PLC042782, Phone No +91-124-4131800

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in



“India Shelter Finance Corporation Limited Q4FY26 Earnings Conference Call”

May 04, 2026



MANAGEMENT: **MR. RUPINDER SINGH – MD & CEO**
 MR. ASHISH GUPTA – CFO
 MR. RAHUL RAJAGOPALAN – HEAD, INVESTOR RELATIONS

This is a transcription of the earnings call conducted on 4th May 2025. The audio recording can be accessed using the following link, <https://www.indiashelter.in/investor-relations>

DISCLAIMER:

Transcript may contain transcription errors. The transcript has been edited for clarity, readability, etc. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy. In case of discrepancy, the audio recording will prevail.

Operator: Ladies and gentlemen, good day, and welcome to India Shelter Q4FY26 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone. Please note that this conference call is recorded.

I now hand the conference over to Mr. Renish Bhuva from ICICI Securities. Thank you, and over to you, sir.

Renish Bhuva: Hi, thank you, Good morning, everyone. Welcome to India Shelter Q4FY26 Earnings Call. On behalf of ICICI Securities, I would like to thank India Shelter Management Team for giving us the opportunity to host this call.

Today, we have with us the entire top management team of India Shelter represented by Mr. Rupinder Singh – MD and CEO; Mr. Ashish Gupta – CFO; Mr. Rahul Rajagopalan, Head, Investor Relations.

I will now hand over the call to Rupinderji for his opening remarks and then we will open the floor for Q&A. Over to you, sir.

Rupinder Singh: Thank you, Renishji. Good morning, everyone. On behalf of the Company, I extend a warm welcome to all of you. Thank you for joining us on our 10th Earnings Call. Last 10 quarters have been satisfying in terms of our journey, post-listing particularly.

Before we discuss our quarterly and annual performance, let me briefly touch upon the broader macroeconomic environment, the operating landscape and some of the strategic priorities shaping our businesses.

For the past year, the Indian economy has continued to demonstrate resilience despite an increasingly uncertain global and domestic backdrop. Global markets have been impacted by geopolitical tensions due to the ongoing war, supply chain disruptions and slowing growth across developed economies. Ongoing geopolitical uncertainty and volatility in commodity markets have also created pressure on household spending patterns and overall consumer sentiments.

On the domestic side, rural and semi-urban markets have faced temporary stress from uneven and abnormal monsoon patterns across certain regions, impacting agricultural cash flows and informal income segments. Recent LPG supply disruptions and related availability issues in some markets created short-term operating challenges for households and small businesses.

That said, India continues to remain one of the fastest-growing major economies, supported by strong domestic consumption, infrastructure-led growth, formalization of credit and the long-term structural demand for housing.

At the broader level, several high-frequency indicators continue to reflect the underlying strength of the economy.

- GST collections have remained robust, consistently averaging around Rs. 1.7 lakh crores to Rs. 1.8 lakh crores per month, indicating sustained formalization and consumption momentum.
- Digital payments continue to scale rapidly, with UPI transactions now exceeding Rs. 18–20 lakh crore monthly, reflecting deepening financial inclusion and formalization across urban as well as semi-urban markets.
- In addition, system credit growth remains healthy, supported by demand across retail segments, including housing finance.

These trends provide support for sustained economic activity and reinforce confidence in long-term prospects.

In such an environment, the key differentiators remain prudent underwriting, strong collections, granular market expansion, and consistent focus on return ratios rather than growth alone.

I am pleased to share that we have delivered another year of strong and consistent performance, with significant milestones in this financial year such as:

- We crossed Rs. 10,000 crore AUM in this financial year.
- We crossed 300 plus branches in existing geographies.
- In this year consistently delivered ROE above 17%.
- Annual profitability crossed Rs. 500 crores for the company.

For us, annual growth remains in a guided range, with the AUM growing at 29% year-on-year to Rs. 11,044 crores. In Q4FY26, for the first time, our disbursement crossed Rs. 1,000 crores. In this quarter, we added 6 new branches and for the year, we have added 41 branches, in line with our branch expansion strategy of adding 40 to 45 branches each year.

On asset quality metrics, 30+ has improved by 100 bps, quarter-on-quarter to 4%. Gross Stage-3 improved by 29 bps, quarter-on-quarter to 1.2%. And net Stage-3 improved further by 23 bps to 0.9%.

On profitability metrics, PAT for the quarter came at Rs. 138 crores, registering a growth of 27% year-on-year and 11% quarter-on-quarter. Return on equity further improved to 17.6% in this quarter. Our net worth now stands at Rs. 3,198 crores.

On that note, let me share the guidance for the coming times:

- Branch addition of around 40 to 45 for the year.
- Maintaining the spreads of more than 6% in the medium term.
- Credit cost to remain between 40 to 50 bps.
- Loan growth of 25% to 30% for next 3 years, with a clear goal of reaching Rs. 30,000 crores AUM by 2030.

Now, I would like to hand over the call to Ashishji, our CFO, to take you through the financial metrics. Over to you.

Ashish Gupta:

Thanks, Rupinderji. Good morning, friends.

Let me take you through key financial numbers:

We have ended the FY26 with AUM of more than Rs. 11,000 crores. Year-on-year growth in AUM is 29%. Quarter-on-quarter growth is 7%. Our portfolio yield is 14.8%, down by 10 basis points year-on-year basis. Our disbursement yield in Q4 was 14.6%.

Our bucket cost of fund is 8.2%, while our marginal cost of fund in Q4 was 7.9%. Thus our margin at bucket level and incremental level are well above our guided level of 6%. We had drawdown Rs. 378 crores from National Housing Bank in Q4 at 7.5% and still we have a balance of more than Rs. 300 crores for drawdown in Q1. Our borrowing profile continues to be diversified with more than 30 counterparties. Share of NHB funding is stable at 15%. Average borrowing tenure is more than 8 years.

Net interest income for quarter is up by 31% year-on-year on the back of strong growth in our AUM and improvement in spreads.

Our year-on-year growth in OPEX is 26%, which is lower than the growth in total AUM. Same is resulting in better cost ratios. OPEX to AUM for the quarter and year is down by 20 basis points year-on-year in line with our guidance. Cost to income for the quarter and year is at 36%, down by about 100 basis points year-on-year.

Stage-3 is at 1.2%, down by 30 basis points, quarter-on-quarter. PCR for Stage-3 asset is stable at 25%. Our total ECL is Rs. 87 crores against the regulatory threshold of Rs. 47 crores. Considering overall macroeconomic environment, we have applied management overlay of additional 2% provision on Stage-2 assets. Same has impacted our credit cost by Rs. 5 crores in Q4. Including this, our credit cost for the quarter and year is 30 basis points and 50 basis points respectively, in line with our guidance for medium term.

BT-out for the year is down to 4.5%, down by about 80 basis points year-on-year. Our focused, data-driven approach of customer retention is helping us to contain BT-out, even in a declining interest rate scenario.

On interest rate risk side, we have been able to bring down the percentage of fixed-rate portfolio funded by variable rate liabilities from about 33% in March '24 to about 8% this year. We are committed to further bring this down to about 5% in FY '27.

On liquidity side, we are comfortably placed with liquidity of more than Rs. 600 crores and undrawn sanction of Rs. 1,400 crores. Our ALM is positive across all buckets.

With this, I conclude, and now we can open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Adityapal from MSA Capital Partners. Please go ahead.

Adityapal: Sir, congratulations, great performance, delivered whatever you all committed last quarter. Just wanted to know how are we looking at things on the ground because there is so much news on shortages. Is it impacting credit behavior because of these negative news that is going on?

Rupinder Singh: So, I think last year was a year which started with India-Pakistan war and ended with the war again that was again in the Middle East, which we all know about it. And typically, Middle East war has led to the LPG shortage, which we all are aware of. So, keeping those things, we are generally observing the trends typically in quite a few markets where the commercial gas supply are disrupted. Now, we see upon the set of customers who are there, instantly we don't feel that there is any impact in terms of their behavior particularly, but still we feel it's a watchful situation basically because within a month you can't find any particular pattern coming around that piece.

So, every day there is a different set of news which are coming from globally and sentiments also keep coming up and down. Government push whatever they are trying to do, they are trying to do their bit, whatever they can do in certain circumstances. But as of now, typically as we close the March month, we didn't find much of the difficulty in terms of customers. But yes, it is a cautious environment. This quarter is going to play, give output in terms of that piece. So, we are constantly in touch with the ground realities and seeing how the things can be taken care of in kind of any situation that is there.

Hopefully, the way the news are coming up, you might have seen today morning's news also where some proposals are coming on the table. If things work out, it can be wonderful for everyone around. But yes, we have to keep our fingers crossed and have a tap on the market in India. Instead, if you ask me that there is some media reaction or something happened in terms of delinquency, I would say instantly today we don't have answer for that piece. Things look okay till the month of March.

Adityapal: All right. And sir, this quarter, there was a bit of softness in the DA drawdown during the period and Q4 is typically heavy.

Rupinder Singh: So, that is our internal strategy basically that we keep working upon depending upon the situation. For us, DA is majorly for our PBC requirements, and I think we are holding at 64% of PBC. So, we want to be in the range of 15% to 18% of DA and we are maintaining that 15%-16%. That is sufficient for us.

Adityapal: Makes sense. Thank you so much and wishing you and the team all the very best. Great set of performance, sir.

Moderator: The next question is from the line of Kunal Shah from Citigroup. Please go ahead.

Kunal Shah: So, firstly on the guidance. So, earlier we indicated 30%-35% maybe over the medium term. Now, we are suggesting that it will be 25% to 30% next year with again a goal to reach like Rs. 30,000 crores by 2030 which suggests like another like 28%-29% over next three years. So, in this, what is the kind of disbursement growth that we are looking at how we should see it stacking up maybe last quarter it's been at 11 odd percent. So, what is the outlook on that?

Rupinder Singh: So, the reason for what we are finding the environment to be little cautionary. You have to be optimal on the all aspects basically. But yes, we know these times are quite temporary that way. Our teams, our energy synergies are lying very well.

In fact, our logins are increasing day by day. But our business rule engine, the credit engine that has to function that isn't titled up purposely keeping mind all the aspects which is happening there. So, we have been a little cautious in that way. That is why we are talking about in a range bound of 25% to 30%. We are not saying it is going to 25%. We only will look forward that it should be touching around 30%. So, that is our thought process particularly. But in the environment, we don't want to be something ignoring those aspects. Having said so, as we progress in our journey, so as the time came back in a conducive form, I think we should be able to pick up quickly. Our branch expansion model, that continue to remain in that piece. Our objective of getting a productivity that has to be remained continued in that piece and our focus into these two products, that continue to remain in that piece. So, we are positive in the long run that we would be able to maintain this Rs. 30,000 crores. So, even if we maintain this 27%-28% of growth for next 3-4 years, we will be able to achieve that Rs. 30,000 crores.

Kunal Shah: Yes, 27% to 28% CAGR suggests that we can reach RS. 30,000 crores by FY '30.

Rupinder Singh: Yes. Yes. And that is exactly, two years back, we came with a strategy. That looks very well in line, even in today's environment also. And we are quite confident about that.

Kunal Shah: Yes. So, in terms of rejection rates, if you can highlight how much could be the, in terms of rejection, how much it would have gone, maybe gone up compared to that of maybe log-in. So,

overall, maybe disbursements to log-in ratio, how it would have changed, that would also be helpful. And overall, any particular number of disbursement growth that we are targeting over maybe in the medium term, next 12 to 24 months?

Rupinder Singh:

Absolutely. So, if you talk about log-in to sanction ratio, during normal days, it used to be around 55%-58%. That used to be the range that depends upon seasonality quarter and how the business is prospecting in that form.

Today, that is less than 50%. It had even bottomed down to the level of 40% to 43%. But that is all what the BRE works on, give the right input instead of having any bias towards the human understanding. So, that is there which we rely on. So, irrespective of those logins are going up, we cut in that piece to be little conservative on that side. So, that 43%-45%, which has in month of this quarter, particularly has slightly inched up to 45%-47%. But in normal circumstances, it should be around 55%. So, I think even if we are able to disperse, say, 20% of growth in terms of disbursement here, we will be able to achieve the numbers what we are talking about in terms of the 27%-28% AUM growth.

Kunal Shah:

And the other question is on co-lending. So, I believe because of the change in the regulations, we have hardly seen any co-lending. But how do we pursue it now? When do we see it coming back? How long would it take? Because, again, co-lending growth was maybe that is something which we were targeting to scale it up. So, if you can just provide the outlook on that, yes.

Rupinder Singh:

Kunalji, from beginning, we never had a very clear-cut focus on a co-lending particularly. In 2, 2.5 years of our business around co-lending, we created a book size of around Rs. 450-460 crores of overall piece what we have it, which is around approximately 4% of business. And the purpose was basically just to try and test a new set of products. And we felt that this is also with changing time, we should be very well adapted to those, adapted to that piece. But in typical scenario, what we see that between CLM 1, CLM 2 models, we adopted CLM 2. For CLM1, I think we have to wait some more time. If you ask me exact timeline, it will be difficult at this juncture. But we are closely discussing with few of the institutions, banks around that type, how it can be taken to the next level. In our plan, in our budget, we are not including any of the numbers which is around the co-lending. It is again going to be testing piece for some time before we conclude to the real direction of business for us particularly. So, basically for us, it is not something which we have to worry around at all.

Moderator:

The next question is from the line of Shubhranshu Mishra from PhillipCapital. Please go ahead.

Shubhranshu Mishra:

Hi, good morning, Rupinder. Thank you for the opportunity. So, the first question is, what is the split of the disbursement in FY '26 between LAP and home loans? And how do we see it growing in '27, if we can speak about each of the parts?

Second is that when I look at the LAP proportion, it's gone up from say 43% to 44% versus home loans, although the home loans which is on book is much higher. I think that is more to do with

the PBC. However, how are we looking at the demand and if we can split this into two or three parts? First is the policy help from CLSS 2. Second is the actual demand, the actual down payment capability of the demographics of the customers that we cater to. And the supply from various developers, if they still find enough margins to build these kind of affordable houses.

Rupinder Singh:

Thank you, Shibaranshuji. For our business, we first and foremost see our PBC requirement. And as we met fully PBC requirements, then we also realized that we have to maintain other optics, which is yield, productivity etc. So, 56%, 57% or 1% is nothing, something which we can read between the lines that there is some sudden changes that come up around that piece.

So, for us, the principle criteria remains important. So, as in earlier questions, someone asked why we have reduced the DA, that has been the case also. And particularly here, if it is 57%, 56%, it doesn't matter in much of the way, till the time we are maintaining all the optics, because same market, same way of sourcing it, almost same kind of customer will not worry in that terms. And it doesn't give an idea that there is some outtrend in terms of a housing uptake or housing coming down particularly. That is not the case at all.

Our productivity is largely in a self-construction and purchase cases, which we focus on. We don't have a tie up with the builders in terms of that affordable segment builder or something, unless if they are not supplying in market, so our demand is going to affect. For me, the markets of tier 3, tier 4 are extremely important, where the construction, self-construction, self-purchase that happens, that is my major portfolio.

In fact, most of the portfolio went up on the housing per se. So, that still is going as per the normal standards that what we see in our last few years. Obviously, we have taken up the norms, that may be the other aspect, but we don't find that things are on that side.

Reason, example, if you see the log-in ratio, the log-in numbers, that is going to pick up basically. Otherwise, they should be a little dried up on that side. And those are the factors to keep in mind. So, I don't think that because of those factors that builder is not supplying or something that way, that is not the case with us.

Yes, I heard, keep looking for, hearing those things particularly, that because of builder supply, there may be some disruption in some of the markets, but we are not available to those large markets of tier 1 or tier 2 with a tie-up of the builder particularly. We are very well segregated, focused into those granular markets where self-construction and purchase cases are dominating it.

Shubhranshu Mishra:

Did you give the split of the disbursement for LAP and HL in '26 and how does you see each portion growing in '27?

Rupinder Singh:

In fact, the HL percentage has slightly gone up because in Quarter 2, Quarter 3, we were a little more focused on the HL, keeping in mind again the PBC guidelines. and going forward, we

continue to feel that there should not be much of difference between LAP and HL in Financial Year '27 also. That is going to remain the same ratio.

Shubhramshu Mishra: What is the ratio is what I am trying to ask. That is possibly not in the PPT. Hence, I am asking what is the ratio between LAP and HL disbursement?

Rupinder Singh: It is 56%-57% for HL and remaining is LAP. That is going to be the same range bound.

Shubhramshu Mishra: Understood. Thank you so much. This was very helpful and best of luck for next few quarters.

Moderator: The next question is from the line of Mayank Mistry from Antique Stock Broking. Please go ahead.

Mayank Mistry: Sir, I have two questions. First of all, as you already guided for 40 to 45 branches each year and your OPEX to AUM currently lies at around 3.94%. So, what is the normal run rate we can expect and what are the efforts you are currently putting in because across the year, it seems like a higher number.

And secondly, on the asset quality front, the outcome during the quarter was significantly better. So, in last quarter, we had led few slippages to take surprise action on few of the accounts. So, this quarter seems like good improvement over that and even with the better credit cost this time. So, where is this improvement come from? Has the recoveries come organically from these accounts once they moved into Stage-3 or any other or maybe some write-offs from there? So, these are my two questions.

Rupinder Singh: So, there are two set of questions you asked me. First is OPEX to AUM particularly. So, we feel there is always a scope of improvement and last 4 to 5 years, we have this trend improving year on year. So, the first progressive which everyone was asking when you are going to bring back less than 4% that this year we are tracking that piece. What is our objective? Every year, it should come down by 15 to 20 bps and things look very well on track. So, earlier the 40-45 branches, we were opening on a smaller base. Now, on the base of 307 branches which we exist today, the 45 is hardly 13%-14% which used to be, say, 18%-20% a few years back basically. So, this is one of the aspects which is going to support in our journey typically on this side.

Yes, automatically focus on productivity also picks up as your AUM keeps improving on, and I believe that getting to a 15 to 20 bps reduction in OPEX-to-AUM is not a trivial task which we have to think twice around that. That is bound to happen particularly.

Second question which was more on a credit cost largely and how the GNPA has come down. So, I think structurally when your NPA levels goes up at certain level which in our case which was in Quarter 2 particularly, your SARFAESI action starts coming into picture and that is a sometime of 6 to 8 months and as that reach that level, then you will realize that your reduction starts happening. That is the beauty of this product which is a mortgage product and housing

finance product particularly. The tool which has been given provided by the ecosystem, the government that helps very well into that side. So, most of these resolutions that is purely on basis of that piece in an organic form.

Mayank Mistry:

And one more question which I think it was partially answered that on the disbursement growth rate of what is disbursement growth rate that we expect, but if we even consider around 15% to 20% of disbursement growth, then your prepayment rate will have to go down significantly, right? So, how are you planning to grow at 5% to 7% on a sequential basis that you guide quarterly and I mean, on the disbursements, I would just like to know your strategy on how do you plan to retain your customers and lower your BT-out so that your prepayment rate goes down.

Rupinder Singh:

Thankfully, our BT out is reducing year-on-year. That's been a trend as in early commentary, our CFO mentioned that BT-out has been lowest among last 3-4 years. So, our system what we have created on this set of customers, that is working well for us and that is going to continue work in that direction. In particular time when situation is always alarming and cautionary, which we can see across market, you always find for everyone BT-out is always normally on a lower side basically. That is also the case because every business, every company, they try to be little focused more on the non-BT cases. This has been a trend what we have observed basically. But having said so, the system that we have created, we feel that effective enough to curtail the customer in terms of engaging and ensuring that customer remains with us as far as possible. That is one piece.

In terms of disbursement, I feel that this year we will cross 20% of disbursement number which we are quite confident of and we will do anyway beyond that piece. We will be easily achieving 27%-28% of AUM growth. And our thought is to continuously ensure that numbers are very well around that piece. We have delivered in the past and there is not a something abrasion around that piece. Obviously, operating environment you have to keep in mind because to balance business.

Mayank Mistry:

That answers my question and all the best for the coming year.

Moderator:

The next question is from the line of Varun Palacharla from Kotak Securities. Please go ahead.

Varun Palacharla:

Just had two questions. First one is on the long-term growth guidance that you have given. I was just asking regarding the long-term growth guidance that you have given. So, that Rs. 30,000 crores number, it is almost higher than what the largest affordable housing companies today stand at. So, are we finding any pockets or geographies where there is lower competition, where we are expecting to grow faster? Or is there something like other than the branch expansion, 40-50 branches which you have already been doing, something which drives this growth, like shift in ticket sizes, anything else which can explain this?

Another thing was regarding margins. So, we have seen, I think, a slight expansion of margins. Largely, it is cost of borrowings may not explain the full extent of it. Is there any difference in yields as well that we are seeing?

Rupinder Singh:

So, recipe around, in terms of your market, how you have to grow up, it cannot be one single direction, particularly Varunji, like in terms of opening branches or meeting the competition. We exist in the same market where the rest of the folks are doing it. Our largest market continues to remain Rajasthan, and there the most of the competition, everyone knows. And we are very diligently, strongly maintaining our numbers around that piece.

Thankfully, our distribution is spread across 15 states. At this scale, at this level, very few companies have experimented to go into those markets at all. With time, the maturity is coming, that prudence is coming in terms of underwriting, as we keep creating our own vintage in these kind of states. So, today, if there is some kind of disruption, for example, if Karnataka is a disruption in South, then definitely AP, Telangana and Tamil Nadu is going to support. Same way, if there is some error which happens in some markets like MP, then Rajasthan, UP and Gujarat is there to support. So, that way distribution is very well spread, and that is firing well for us.

Additionally, the factors which are going to support, one is definitely branch opening of 40-45 branches. Secondly, the productivity drive on which we want to focus on, per case, per employee, number of cases that has to keep improving on, that is the focus around that piece. The same set of geographies, they do exist.

Thirdly, we started with our digital journey, say, a year back, that is also showing a good positive returns in terms of that piece. So, a year or a year and a half back, we were disbursing those numbers in a single digit. Today, we are disbursing some Rs. 20 crores to Rs. 30 crores on the digital side. In India Shelter, we always believe into this technology and digital piece. I think this is something which is again going to fire positively in that sense. So, all these three, four items which you amalgamate together, that is the right recipe to come out with the output in terms of disbursement.

Thankfully, the team strength of 4,800 with a strong collection in the quarter on that piece, network in a market which is distributed in terms of 307 branches, which is going to reach by 2030 up to 500 branches eventually, and that kind of technology process improvement has been done, and we wanted to do in that piece. These all things are going to help in improving the disbursement and the journey going forward. So, the strategy is very well laid out with all the aspects very clearly broken between the three, four items, which is going to help us out.

Varun Palacharla:

Yes, but on the margins, like, if you look at the reported margin number, it is kind of expanded from 9.1 to 9.5. And cost of borrowing is down maybe about 10 to 15 basis points. So, the other delta, where is it coming from?

Rupinder Singh: So, our first priority on the field, if you talk about operationally, is always to maintain the spread, which is beyond 6%. Thankfully, this has been a great year in terms of your cost of borrowing, because of market slashing down in terms of cost, and we get a benefit on that piece. But given the circumstances, we are committed to maintain the 6% of spread, this further populated to decent margins that we look into that time, and continue to maintain the journey for next few years. Obviously, this cut into rates that will work out to maintain those margins that you are talking about in the last few years.

Ashish Gupta: And Varun, just to add here, in Q4, generally, a lot of NPA resolution also happens. So, while doing the resolution of these NPA, we end up recovering a portion of interest, which we had not accrued earlier. So, this is also contributing to increase in the NIM growth from 9% to 9.5%. Hope this explains.

Moderator: The next question is from the line of Meghna Luthra from InCred Equities. Please go ahead.

Meghna Luthra: Sir, while you have indicated that we expect spreads to remain stable and growth to remain strong, there are a lot of conversations around the sharp rise in competition. And specifically, is there any state or any pockets that we are seeing a sharp rise in competition? And can you give some color which can impact our yield or growth? And which kind of lenders are these? Private banks, SFBs, housing finance companies, or NBFC?

Rupinder Singh: Every market is being plundered by all kinds of competition, not now, but from the beginning, basically. But the serious players remain serious. If you see irrespective competition going and coming and going back, basically, the number of set of players who are consistent and continuous in that piece that remain there from last 5, 7, 8 years at least. So, any new player which is entering, they have their own hurdles around that piece to venture that market. There may be a small, temporary jolt which someone may get because of the other. But otherwise, I don't think this kind of business, which is considered to be complex in that terms, has to get impact because of some competition.

We are operating in all the competitive markets, which is considered to be competitive, not now, but from last many years, particularly. And performance coming around, that is not a point of concern, really. It is only your ability to execute in those markets that matters. And I think not only us, but any serious player, they know their way how to play around in those markets in terms of competition also.

So, it is not a point of concern at all. Every market, every region have a certain set of dominating players here and there. But that is always which is relevant. That is a business expertise built with the time. So, it is not a point of worry. That is only I can assure you.

Moderator: The next question is from the line of Miten Lathia from Fractal Capital Investment. Please go ahead.

Miten Lathia: Sir, we have grown almost 3.5x in the last 4 years and yet our concentration of Rajasthan continues to be 30 plus percent. Is that a very conscious thing or how should one really think about it going forward?

Rupinder Singh: So, going forward, Rajasthan concentration is going to ease down by virtue of other geographies, their delivery mechanics are going to go up basically. Though Rajasthan continues to remain the flagship zone for us and their disbursements continues to grow, but thankfully, the trend what we are seeing in the other geographies, that is giving a little more in terms of a percentage high growth. So, today Rajasthan which contributes, say, 30% will be, say, 5 years down the line, maybe 25%-26%. That is what we look forward. And other states like for certain states in south or UP, you will find a better trend compared to in terms of percentage of AUM going up particularly in that case basically. This is I look if you talk about the long term aspects in terms of AUM ratios between the various states and all, particularly.

Miten Lathia: And very commendable performance on the reduction in the BT-out. Do you want to call out any specific measures that you might have taken to achieve that?

Rupinder Singh: I think the strategy in which team is able to put all together in engaging the customer. Today we have a strong digital presence connect with the customer and continue to engage using their understanding whether they are looking out for any fresh loan or BT loan or some rate reduction. That engagement is helping us out. The application, the app, customer app, which have now almost all the customers which is on our board, are available on this application. The engagement, the notifications, as well as centralized team, which is very well working with engaging this customer, that is helping us out into this piece.

Moderator: Next question is from the line of Prithviraj Patil from Investec. Please go ahead.

Prithviraj Patil: So, thanks for the opportunity. So, I just had one question on the PBC level that we are operating on because what I see is the home loan share is already reached around, dropped to around 57%. So, I just want to know what is the PBC level we are operating.

Ashish Gupta: So, on the PBC front, we are comfortably placed at about 64%. Though we have, at an AUM level, our home loan ratio is close to 56%, but we have a strategy to doing a lot of direct assignment transactions. We were having about 5% of the book in form of co-lending, which is primarily pertained to LAP only. So, all these measures to take LAP of book, helping us to maintain a fairly higher PBC, which is regulatory threshold is 60% and we are currently at 64%.

Moderator: The next question is from the line of Adityapal from MSA Capital Partners. Please go ahead.

Adityapal: Sir, two questions. One is a bookkeeping one and one is a more strategic question. So, you highlighted that you want to grow in the vicinity of 25% to 30%. Let's work with 27% to 28%. And today we are sitting at roughly 55% of capital adequacy. And we are doing a return on equity of 17.5%. And because we are in the secured asset class, the total assets, risk-weighted

assets is lower. So, how do you think in terms of consuming this capital over the next, say, till FY '30, your Rs. 30,000 crore AUM base?

Rupinder Singh: So, today leverage is 3x. I think we would like to go to the level of leverage around 4x and 4.5x times, basically, before thinking upon what to take a next course on that piece. So, journey remains in that direction, particularly. And our objective is today these times may be looking a little conservative in terms of the cautionary environment. But as the things comes in a better form, we have to take it up very fast in the side. That is always our thought. So, I think as we reach around 4.5x in terms of leverage, we will be then thinking about how to take it to the next level, whether to raise the funds, QIP or something, that we will work around that time.

Adityapal: And sir, this quarter Q4, I would say even for that matter the entirety of FY '26, we have seen a good growth in the 25 plus lakh bucket, and I would also say 15 to 25 lakh bucket in terms of ticket size. But yet our average ticket size that we show in our presentation, that has not budged above 10 lakhs over the last, say, four, five quarters.

Rupinder Singh: So, we were not doing at all earlier, these above 25 lakhs and all. We tried to test these markets and that is working decently well. Because you see the growth on a very, very low base, almost negligible base, and that is why look a growth around that piece. But if you see on these particular ticket size, we have done the handful of cases particularly. So, our large AUM, our large disbursement still continue to remain the ticket size that we are into basically. So, there may be a slight improvement of some 10, 15 bps in terms of average output in terms of ATS, what you are talking about.

Adityapal: That is what I am saying that the ATS should start looking closer to 10.2, 10.5x.

Rupinder Singh: Probably this is something which will slightly go up in the coming days, basically, maybe coming quarters, not instantly now, basically. So, if there will be maybe consistent in the sum of volume we are talking about 25, which we have an intent to do, basically, because that is giving us decent confidence and decent output in that term. So, if that happens, maintaining all the optics, this is slightly inch up. So, what you are seeing 10 today, that may be 10.5 in, say, 2, 3, 4 quarters beyond.

Adityapal: Understood. No, this was about it. This was about it.

Moderator: The next question is from the line of Satyam Kumar from JM Group. Please go ahead.

Satyam Kumar: So, I have a couple of questions. First is a bookkeeping question. Just wanted to understand what percentage of your LAP book is backed by SORP kind of collateral, number one.

And number two, just wanted to understand, as you have guided an AUM growth of around 25% to 30% going forward, and disbursement you said it will be anywhere around 20%. So, just

wanted to understand how this gap will be bridged, like what will be the BT-out ratio or closures and how these numbers have historically been. So, if you can throw some color on it.

Rupinder Singh: So, LAP, we have almost 98% of SORP, self-occupied residential property, where we do the LAP. And this is improving as we progress in time, basically. That is all about the LAP book.

25% to 30% is the growth on AUM that we expect. And in current scenario, we expect 20% and beyond in terms of the disbursement. But that doesn't mean this 20% is going to remain 20% forever. That is a lot of scope of improvement, even in the future, that we are quite optimistic about, seeing our past and as well as the same kind of synergies that we are building in terms of digital productivity and branch opening, basically. So, this is a cautionary environment that we are talking a little conservative around that piece. But as things progress, then we have to open it up again.

Because RS. 30,000 crores is the AUM target, even if you run at 26%, 27% of AUM growth, we will be able to achieve that piece. But our thought is, this disbursement growth, which is running around 20% of growth that we look forward, should automatically pick up as the time progress in terms of 25% and beyond, basically.

Satyam Kumar: I completely understand. Growing around 26%, 27%, we will reach that RS. 30,000 crore AUM.

So, just a follow-up. Just for FY '27, if I look at, just wanted to understand the gap between disbursement and AUM growth. Just for FY '27, if we look, say, for example, our book is going around 25%, 27%, 28%, whatever it is, and disbursement is going at 20-odd percent. So, how this gap between disbursement and AUM growth will be bridged? Like new loans is growing at 20%. How book will grow at 27? Just wanted to understand from you how this will be bridged, basically.

Rupinder Singh: So, first and foremost, the BT-out percentage, which used to be higher earlier, that is coming down, thanks to the AUM which we have created, number one, that works around that piece, and all the mechanism which has worked around that piece. And particularly, when you are talking about 20% of disbursement growth, anything above 20% on that piece is going to stretch to the positivity in that particularly.

Moderator: The next question is from the line of Sonal Gandhi from Asian Market Securities. Please go ahead.

Sonal Gandhi: Just two questions. I think the BT-out has been asked. Maybe if you could just help with those numbers, like, are there any repayment rates or what is the BT-out? What is the prepayment and what is the normal turnout and prepayments? And second is, if you could just help us with what proportion of your book is on fixed yields currently? What is any variable, any variable yield? And is it that because of the fixed book, we are seeing lower BT-outs or in general, the environment has become more conducive?

- Ashish Gupta:** So, if you talk about today, we have around 13%-14% of book which is on floating. Rest remain into fixed or semi-fixed kind of product where the fixation is for three years technically. And that book is again now around 10%-12%, which means approximately 70%, 65%-70% book that continue to remain on the fixed particularly. And that is again one of the good sectors which support us in terms of BT-out. Thankfully, conservative environment also supports you. Typically, when the environment is a little cautionary, the BT-out trend normally goes down basically. So, these are the two factors definitely which is helping us out. And third important aspect, engagement of customer, which we put a unit around a year back, is also giving a good output in terms of continuing customer.
- Sonal Gandhi:** Sir, if I look at prepayment case, what would be proportion of BT-outs, normal turnout and prepayments that you are building in your experience?
- Ashish Gupta:** So out of the total prepayment, two-thirds goes in the form of BT-out and rest is own fund prepayment. And answering to your previous question that whether it is coming from variable rate book or fixed rate book, variable rate book is hardly about two-and-a-half, three-year-old. So it is too early to do that kind of analysis. So once the book will start phasing and it will be a significant proportion of the total AUM, probably we will be able to do that analysis at that point of time.
- Moderator:** The next question is from the line of Darshan Deora from Indvest Group. Please go ahead.
- Darshan Deora:** Just wanted to recheck what the management said. So, to hit this Rs. 30,000 crore target, we will be sort of targeting a disbursement growth of about 20%. Is that what I heard?
- Rupinder Singh:** That is for the first year particularly. This can't be sustainable for long term. We have to definitely pull it up basically. Then someone asked me how you want to deal with this cautionary environment. And this is something that we want to maintain as of now. But as time progresses, that has to go up.
- Darshan Deora:** So, are we saying that Q4 FY '26 was sort of the bottom in terms of the disbursement growth? I think this quarter it was around 11%.
- Rupinder Singh:** So, I am talking about this year. We have to show the disbursement beyond 20%, which we are positive about basically. That is what I am saying, right. Please don't allow me to compare between Q4 and how the Q1 has to work on, basically that will give you some kind of forward looking. But yes, this is something what we are looking in terms of a long term.
- Darshan Deora:** And are you seeing the environment change enough? Because I believe that some part of the disbursement growth was curtailed intentionally because of the macro environment. So, have you seen the environment change enough?

- Rupinder Singh:** Absolutely. And that is what we are watching it very clearly. And we are prepared very well. As the environment changes, we should be ready to take it up to the next level.
- Darshan Deora:** Appreciate that.
- Moderator:** The next question is from the line of Kunal Shah from Citigroup. Please go ahead.
- Kunal Shah:** I just wanted to reconfirm, you indicated that the increase in Stage-2 which is there and the entire provisioning that is more of a management overlay buffer of Rs. 5-odd crores. Maybe the ECL provisioning in Stage-2 is moving up from 10 to 15 odd crores. That is primarily the management overlay?
- Ashish Gupta:** Yes. Considering the overall macro environment and we have also gone through the RBI circular, it says that there should be minimum 1.5% for home loan and 2.5% for LAP loan should be the minimum base threshold for ECL. And considering the fact that we are primarily catering to self-employed people, tier 2, tier 3 geographies, it is good to keep a good buffer on Stage-2 assets.
- Kunal Shah:** So this overlay was only in Stage-2?
- Ashish Gupta:** Yes.
- Kunal Shah:** And do we plan to create further overlay or we are maybe given that now it is almost like more than 5% coverage on this. So, would there be some increase or catch up in the overlay getting into FY '27 and your guidance of 40 to 50 odd basis points? Does it take into account the overlay buffer as well?
- Ashish Gupta:** So frankly, we have reached to a stage wherein now we were waiting for the RBI guidelines on ECL. So, we have got those guidelines though they are not applicable to us. And we have created a briefly 2x buffer of what the regulatory threshold. And we have always kept that kind of threshold historically. So, now we have built those buffer. And in case future, like allow us a low credit cost regime is there, probably we may further take up our buffers. But frankly, at this point of time, we don't have any plans to further stack up the buffers.
- Kunal Shah:** And just one more clarification both on the asset and on the liability side in terms of the mix of fixed and floating. So last quarter, I think you indicated 84% of the borrowing was floating. This time, I heard maybe you mentioned like fixed rate has come down to 8-odd percent and you plan to bring it down to 5-odd percent. Was it that related to the borrowing? And last time you indicated like almost 85% of the AUM was fixed. I think this time you commented almost like 65 to 70-odd percent is fixed. So, if you can just clarify in terms of both on the asset and on the liability side, how much is the fixed versus floating?

Ashish Gupta: Let me reiterate how the overall AUM stacked up in terms of interest rate reset. So, about 15% of the AUM is there, which is variable rate. Then about 37% of the AUM is there, wherein the interest rate is like semi-variable structure fixed for initial three years and variable subsequently. Then about 48% of the book is there, which is the fixed rate book altogether.

So if you look at how we are funding this fixed rate book of 48%, so out of this 48%, about 25% is getting funded through our equity and remaining about 17% is getting funded through our fixed rate borrowings that we have on our book. Then remaining percentage is at about 7%-8%, which is fixed rate book, which is funded by variable rate liabilities.

Moderator: That was the last question for today. I would now like to hand the conference over to the management for closing remarks.

Rupinder Singh: Thank you everyone for taking your valuable time for attending our earning call. An audio recording and the transcript of this call will be uploaded on our website in due course. Looking forward to hosting you all in the next quarter. If you have any further questions or require additional information, please feel free to reach us out. Thank you so much and have a great day. Thank you.

Moderator: Thank you very much. On behalf of ICICI Securities Limited, that concludes this conference. Thank you all for joining us and you may now disconnect your line.