Ref. No.: LIFL/SLC/2026-27/17
Date: May 19, 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 Earnings Call with analysts and investors for the quarter and financial year ended March 31, 2026

Dear Sir / Madam,

In continuation to our letters dated May 07, 2026 and May 13, 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 Earnings Call with analysts and investors held on Thursday, May 14, 2026 at 12:30 P.M. in relation to the Audited Standalone Financial Results of the Company for the quarter and Financial year ended March 31, 2026, has been uploaded on the website of the Company.

The same can be accessed at the following link:

https://lifc.co.in/uploads/Investor%20Call%20Transcript%20Q4%20(1).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: 2026.05.19 18:04:49 +05'30'

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

"Laxmi India Finance Limited

Q4 & FY '26 Earnings Conference Call"

May 14, 2026

MANAGEMENT: **MR. DEEPAK BAID – MANAGING DIRECTOR – LAXMI INDIA FINANCE LIMITED**

MR. GOPAL KRISHAN SAIN – CHIEF FINANCIAL OFFICER – LAXMI INDIA FINANCE LIMITED

MR. PIYUSH SOMANI – TREASURY HEAD – LAXMI INDIA FINANCE LIMITED

MR. KULDEEP SINGH – CHIEF BUSINESS OFFICER – LAXMI INDIA FINANCE LIMITED

MR. SANJAY OJHA – COLLECTION HEAD – LAXMI INDIA FINANCE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Laxmi India Finance Limited Q4 FY '26 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. I now hand the conference over to Mr. Deepak Baid from Laxmi India Finance Limited. Thank you and over to you, sir.

Deepak Baid: Yes. Good afternoon everyone and thank you for joining us Laxmi India Finance Limited Q4 and FY '26 earnings call. On behalf of entire management team, I extend a warm welcome to our investors, analysts, lending partners, and stakeholders. Today, in this quorum here, we have myself Deepak Baid, MD, Laxmi India Finance Limited; CFO, Mr. Gopal; Treasury Head, Mr. Piyush Somani; CBO, Mr. Kuldeep Singh; and Collection Head, Mr. Sanjay Ojha is here with me in this call.

FY '26 has been an important and transformation year in the journey of Laxmi India Finance. During this year, we strengthened our scale, improved our operating metrics, enhanced our capital position, diversified our liability franchise, and continued building a stronger institutional foundation for long-term sustainable growth. Most importantly, FY '26 was also our first year as a listed company following as the successful completion of our IPO in August 2025. We believe this transition is not merely a capital market event, but an important milestone in building a stronger, more transparent, and institutional governed organization.

As we entered this next phase of our journey, our focus remains firmly centered on creating a scalable, resilient, and sustainable franchise that can compound consistently over the long term. The broader environment of secured MSME and retail lending in India continues to remain structurally favorable. Increasing formalization of small businesses, improving rural and semi-urban economic activity, government focus on financial inclusion, rising infrastructure development, and growth credit penetration across Tier 2 and Tier 3 markets continues to create significant long-term opportunity for organization like us.

From the beginning, our objective has never been growth at any cost. Our focus always remain on building a high-quality lending institute with strong governance standards, disciplined risk management, sustainable profitability, and long-term customer relationship. We believe this philosophy become even more important as we continue scaling the business.

Today, our franchise has stronger presence across Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, and recently we started with Maharashtra also. With the deep penetration across semi-urban and rural market, we continue focusing on underserved borrower segments including small businesses owners, traders, transport operators, self-employed borrowers, and first-time credit customers who often remain outside the formal lending ecosystem.

FY '26 also mark an another important phase in strengthening our institutional capability. Along with expanding the business, we continue investing in technology, infrastructure, operating processes, collection architecture, risk controls, and management bandwidth in building a strong and more scalable operating platform for future. As we move into FY '25 and beyond, our strategy prioritize remains very clear. First, we will continue focus on calibrated and profitable growth across our secured MSME and retail lending portfolio.

Second, we will continue our geographical expansion strengthening in measured manner with increasing focus on strengthening density with existing market while selectively entity adjacent geographies. Third, we remain focused on future improving operating leverage and branch productivity as our distributed network matures. Fourth, we will continue strengthening and diversifying our liability franchise while improving our overall cost of fund over time.

And finally, we remain fully committed towards maintaining strong governance standard, prudent underwriting practice, and discipline risk management as we continue scaling the organization.

Looking ahead, with our strengthening capital base, expanding distribution network, improving funding profile, and scalable operating platform, we expect a compound growth of AUM at around 30% to 35% annually over the medium terms.

As operating leverage improves and branch productivity matures, we believe profitability growth can remain stronger with PAT expected growth at around 40% to 45% in current year. FY26 will be continues to be an important year in this long-term growth journey as we focus on scaling the franchise in a calibrated, profitable, and sustainable manner.

Now, I request Mr. Gopal, CFO, to take us through the financial and balance sheet performance in a greater detail. Gopal, over to you.

Gopal Krishan Sain: Thank you, sir, and good afternoon, everyone. Financial year '26 has been a healthy year for the company from both growth as well as profitability perspectives. Our asset under management increased to INR1,626 crores as of March '26, reflecting a strong year-on-year growth of over 27%.

Our on-book AUM stood to approximately INR1,519 crores, demonstrating healthy organic growth across our core operating markets. Disbursement during the year stood at INR821 crores, while our customer base expanded to more than 42,800 customers. At the same time, our branch network increased to 176 branches across six states, reflecting our continued investment towards strengthening distribution reach and improving customer access across semi-urban and rural markets.

From a profitability standpoint, our net interest income for financial year '26 increased by nearly 39% year-on-year to INR161 crores. The improvement was supported by healthy portfolio growth, improving branch productivity, better portfolio mix, and stronger operating traction across mature branches.

Profit after tax for financial year '26 increased by over 38% to INR49.7 crores despite continued investment towards branch expansion, technology infrastructure, manpower, and operating capabilities. Our profitability metrics also remained healthy during the year with return on assets at 3.08% and return on net worth at approximately 13.7%.

One of the encouraging developments during the year was the continued strengthening of our borrowing profile. Our average cost of borrowing reduced to 10.8% from 11.48% in financial '25. At the same time, NIM expanded to 11.26%, reflecting improving lender confidence, better pricing discipline, and gradual improvement in our funding profile.

During the year, we continued diversifying our borrowing mix across banks, small finance banks, NBFCs, and financial institutions. Incrementally, bank borrowers contribute a large share of the sanction and disbursement, which we believe is an important indicator of improving institutional confidence in our organization.

Another important milestone during financial '26 was the upgrade in our external credit rating by Acuite Ratings from Acuite A-/Positive outlook to Acuite A/Stable outlook. We believe this reflects our strong capitalization profile post-IPO, healthy operating performance, and prudential risk management practice.

Today, we maintain relationship with more than 40 lenders across public sector banks, private banks, small finance banks, NBFCs, and financial institutions, which positioning us well for further diversification of liabilities and gradual reduction in borrowing cost over the medium term.

Our capital position also improved significantly during the year. Net worth increased sharply to approximately INR465 crores following the IPO and internal accruals, while our capital adequacy ratio improved to over 26%, providing us with adequate headroom to support future growth.

From an asset quality perspective, while the broader industry environment witnessed some moderation in collection efficiency across certain borrower segments, our portfolio performance continued to remain reasonably stable and controlled considering the scale-up achieved during the year.

Gross NPA stood at 2.13% and net NPA stood at 1.09% as of March '26. We continue maintaining the prudential provisioning buffer and remain focused on early warning identification, disciplined underwriting, and collection efficiency improvement. Our balance sheet continues to remain adequately capitalized with comfortable liquidity and a well-matched ALM profile, which we believe positions us well for future growth opportunities. With this, I would now request for our Business Head to discuss operational execution, customer segment, and business initiative in greater detail. Thank you.

Kuldeep Singh: Thank you, Gopal, and good afternoon, everyone. Our operating model continues to remain deeply focused on localized execution, customer relationship, and disciplined sourcing across semi-urban and rural markets. Unlike standardized lending models, our approach combines technology-enabled process with deep local market understanding. Our branch team maintains close engagement with borrowers, enabling stronger sourcing quality, better collections, improved customer retention, and more effective underwriting outcomes.

Today, our franchise operates through 176 branches across six states with strong presence in Tier 2 and Tier 3 markets. We continue following a cluster-based expansion strategy that helps us building local market understanding, operating efficiency, and stronger customer connectivity. Our branch-led model remains one of the key strengths of the organization. Branches functions not only as a sourcing center, but also as a local underwriting, servicing, and collection hubs. This creates stronger accountability and improves borrower engagement throughout the loan life cycle.

Our customer focus continues to remain centric around underserved and underpenetrated borrowers including MSME, small traders, transporters, self-employed customers, first-time borrowers, with nearly 37% of our borrowers continues to be first-time borrower, reflecting our positioning within financially underserved customers. At the same time, we continue maintaining a secured and conservative portfolio profile supported by collateral-backed lending and prudent loan-to-value ratios.

Over the last few years, we have also invested significantly towards strengthening our technology operating infrastructure. Today, our sourcing, underwriting, servicing, and collection ecosystem increasingly digitalized through integrated with LOS and LMS platforms, CKYC integration, automated workflows, CRM systems, digital collections infrastructure, and real-time monitoring capabilities.

These investments are helping us improving turnaround time, strengthen risk monitoring, enhance customer experience, building long-term operating scalability. And our underwriting framework continues to remains conservative and highly process-driven. We combine centralized credit assessment with local market intelligence and field-level verification processes. This hybrid approach helps us evaluating borrowers' cash flows more effectively, particularly with informal and semi-formal customer segments.

From a collection perspective, our model continues to remain field-intensive and relationship-driven. We maintain frequent borrower engagement through branch-level monitoring, field follow-ups, and early warning systems. We believe this operating model remains an important differentiator in managing portfolio quality across semi-urban and rural borrower segments.

During financial year '26, we also continued selected expansion into newer markets, including Maharashtra, while continuously strengthening density within our existing operating geographies. Going forward, our focus will remain on improving productivity across mature branches, maintaining underwriting discipline, enhancing operating efficiency, and scaling the franchise in a calibrated and sustainable manner.

With this, I would now request moderator to open the floor for questions and answers. Thank you. Thank you, everyone.

Moderator: Thank you very much. The first question is from the line of Deepesh Sancheti from Maanya Finance. Please go ahead.

Deepesh Sancheti: Hi, am I audible?

Moderator: Yes sir, you are. Please go ahead.

Deepesh Sancheti: Okay. You're guiding towards sustained 30% to 35% AUM growth. Given the current operating environment and increasing competition in MSME lending, what gives you the confidence of maintaining this growth trajectory without diluting any underwriting standards?

Deepak Baid: So actually, if you're going to see our footprints in Laxmi India, we have presence in only five states in Bharat. So we believe that we can grow, we can have more branches in other states where the requirement or where the businesses requirement is there. Business loans requirement, secured MSME loans are requirements are there.

So we can open more branches over there and we can maintain this disbursement pace and maintain the growth in AUM size. Being seeing across this market scenario that war and all, but that is a little bit challengeable, but yes, we believe that this will be, this should get over very fast and we should be in a clear stage to do a business as regular we were doing as before.

Deepesh Sancheti: So we already have predominantly in Rajasthan and somewhere also have a presence in Gujarat and Madhya Pradesh. Which are the other states which where you are trying to expand and won't that carry a risk of getting into a new state because in the same state you have, how the demographic is?

Deepak Baid: So actually we have presence in six states right now. So that is Rajasthan is the mother state, of course, having a bigger portfolio. Beside that Gujarat, MP is the second and third will be the Gujarat. But we have presence in Uttar Pradesh also, Chhattisgarh also, and recently with Maharashtra. So two other major states we have recently opened, we have recently we have come up.

And before going into the any state, we do a lot of R&Ds, cross-check, comparison, peer comparison and all. So we are comfortable, we have seen the comfortable disbursement pace, we have seen the comfortable collection in this state Uttar Pradesh and Maharashtra. So that is why we have entered and we have opened a few branches in Maharashtra and Uttar Pradesh. And moving ahead, we will be adding more branches in this these states only.

Kuldeep Singh: And sir, I want to add here.

Deepak Baid: Yes, please.

Kuldeep Singh: Our expansion model is very robust actually. We are not just like opening a branch anywhere wherever the competition is. So we first evaluate in terms of the collection, in terms of the risk, in terms of the negative areas, negative customers. So all these reports are being submitted by everyone and then after there is a collective decision on the branch opening. So first we are not just opening the branches, we are opening with cautious approach.

Deepesh Sancheti: Right. So what is the breakeven of each branch? If you can let us know that, you know, at opening a new branch, what AUM it breaks even?

Kuldeep Singh: So there are categories of branches. So we have differentiated into three categories, Tier 1, Tier 2, and Tier 3. So some resource and some premise area and everything is defined as per the prospect at the that particular place. However, there is around 7 to 8 months is the time to take the breakeven where the expenses in the branch and the income at the branch level set off each other.

Deepesh Sancheti: No, but what is the loan -- how much loan does the branch have to disperse to actually breakeven? You must be having a figure...

Kuldeep Singh: So around INR1.5 crores to INR2 crores is the range where we come up with the breakeven point.

Deepesh Sancheti: Okay. So once the branch reach around INR2 crores, the breakeven happens quicker, right?

Kuldeep Singh: Yes, yes.

Deepesh Sancheti: Okay. So a large part of your customer base consists of semi-urban and underbanked borrowers. How vulnerable is the portfolio to local economic disruption, rural slowdown, or political events at the regional level? Also now with El Nino coming in, how much of your portfolio is actually dependent on the agricultural sector if you can also mention that?

Kuldeep Singh: See, these natural calamities, natural problems actually impact all the sectors. But everywhere there is a pros and cons. So the broader market scenario, the broader prospect doesn't impact the smaller customers immediately. So that is the benefit where we are serving to the rural and semi-rural urban, semi-urban areas customers and small ticket size customers, small MSME customers like traders, like manufacturers, like service providers.

So these are those borrowers who are not directly impacted through the bigger calamities like a war is happening and all these things. But yes, vulnerable these customers are this segment is vulnerable. So that's why the rate of interest is there and we have robust mechanism for the underwriting. So every customer is being visited by the credit manager. He talks with the customer as well as the neighbors as well as the two references in the nearby area.

And the visit to the business premise, visit to the customer where the customer, that the property he is giving us as a collateral. So credit visit is mandatory, the mandatory visit with the RCU process, with the audit process, technical, legal, everything is happening with as per the industry norms. So by this we are mitigating this risk which you are talking about.

Deepak Baid: And I would like to add one thing in this that in a area where we are operating, still there is a joint family system. So in a family, let's say five, six people are staying together, father, mother, father, two son and their wife. So everybody is contributing and everybody is contributing towards the EMI. Like in rural areas, you will find housewives also working either at home or cattle or at farm or whatever. So everybody is contributor and everybody is aware of the loan. So that is the best part that the number of hands are more to pay the EMI.

Deepesh Sancheti: Right. So how do you balance your growth versus asset quality in the market where competitive intensity is increasing and the pricing discipline is weakening? Also when you said that in the same family a lot of people are contributing to the EMIs, how do you avoid loan ever greening in that case?

Kuldeep Singh: So by taking all into the deal, so we are fetching the bureau reports also for all the family members. So we are checking the income as well as the liability of all the family members. So by this we are -- we can avoid the liability part. After deduction of liability, we can count for the loan eligibility.

Deepesh Sancheti: No, I'm talking about loan ever greening or as well as how are you maintaining your asset quality where you are trying to grow?

Kuldeep Singh: So generally what customers does, customer do ever greening by taking other loan actually from where they have not taken the loan currently. So for that I explained that we are taking all the family members, we are fetching all the CIBILs of all the borrowers and finding out how much is the current liability. So that customer cannot be overleveraged. Second thing, by doing the credit underwriting with such a robust like mechanism, we are maintaining very healthy asset quality.

Deepesh Sancheti: Right. Thank you so much.

Kuldeep Singh: Yes, please. And yes, in this retail segment, if you are targeting a small ticket size customers, so there is no asset quality kind of risk.

Moderator: Thank you. The next question is from the line of Majid Ahmed from Pinpoint X Capital. Please go ahead.

Majid Ahmed: Am I audible, sir?

Moderator: Yes.

Majid Ahmed: Sir, thank you so much for the opportunity. Sir, my first question is as larger banks and Fintechs aggressively target MSME customers, where exactly do you believe your competitive moat lies today?

Kuldeep Singh: See, competition is definitely there, but competition is healthy. So we are also learning from the market how the market is doing, how the underwriting is. So see, there's a difference in 5 years back and now. So 5 years back there was no process, there was no underwriting standard even in the industry also.

So this competition is healthy and everyone is learning because of that and improving themselves. So that's why I can say that the competition never actually hampers you. This motivates you to do the business on a because MSME is anyways growing. So everyone is having their particular target segment and the space in that segment. So as and when the MSME is growing, definitely everyone will participate in this growth.

Deepak Baid: In this I would like to add that as you said bank or fintech. So banks generally these customers where who are we call them as the NIP customers, so non-income proof customers. So generally banks or fintech companies you can say can't don't take calls on such customers because they need a proper documentation like proper income proof and all.

So basically here what we are different from others is like we evaluate, we go to their shops, cross-check with their businesses and then we evaluate their income. So this is the total you can say lot of technology we are using here to evaluation of for their income. So that can be done NBFC like us.

If you compared with fintech, so fintech generally are taking more into unsecured side. So we are 100% 98% book of our is secured. So we are doing that. And the banks if you say, so they need the documents and all so where these customers are not able to provide the documents which is required. So being such a field, we are more you can say that we have a more better cover towards these customers.

Majid Ahmed: So do you have your own personnel in your company or in the branches who go and do the physical visits or how does you make sure that before you give loan to such customers, how do you manage that?

Kuldeep Singh: Yes, physical visit is compulsory to everyone, every customer whom we are considering for the underwriting. As well as we are doing the FIs also and RCU also.

Management: We have a separate credit team who's underwriting this each and every case. So each and every case is visited, cross-checks and everything is done.

Majid Ahmed: Okay, sir. Got it, sir. And now as you expand geographically, how are you ensuring underwriting consistency across branches and avoiding local level credit dilution?

Kuldeep Singh: So actually, if you talk about the state level, every state is having a difference in terms of the customer segment as well as the asset also. So we used to formalize a local level policy. Like we have entered into Maharashtra recently. So Maharashtra is having a different property papers which is coming.

So Rajasthan is different, Gujarat is different, MP is different, UP is different, and Maharashtra is also different as of now. So we used to make a localized policy with the competition feedbacks, competition interviews. So by this we are actually entering into the new market and we are operating as like as per the local expertise.

So when we are entering into Maharashtra, we are adding local people, we are building a local level policy there, local level acceptance of the property papers, legal also we are localized there and technical also we are localized. So everything is as per that state.

Majid Ahmed: Got it, sir. And sir, like what proportion of your portfolio today would consist of cash flow assessed borrowers versus fully documented income borrowers?

Kuldeep Singh: See, as of now we have mostly customers with the assessment income only. Recently we have started with a with a prime product of MSME where we are taking the this documents for the at least for applicant or co-applicant 1% documented income must be there. But other person can be added on the basis of assessment. But I can say the major portion is of assessed income program only.

Majid Ahmed: And sir, finally like in case if some of the loan payers are unable to pay or something and it gets into NPA, how do you recover those loans or how do you manage that in case?

Kuldeep Singh: See, we have different collection team and litigation team also reports to the collection. So once the case move to the hard bucket, there is a separate team who moves to collect the amount and then after if it is harder then it goes to the litigation team and we start the legal process immediately.

So we have a complete framework for the legal initiation process. So when and how this legal initiation can be initiated and what level and at what NPA stage this legal can be initiated, there's a complete framework for that.

Kuldeep Singh: Also we used to take a lady as a co-borrower or a guarantor mandatorily as a in a deal and we take the SPDC either of the lady or external guarantor. So we also utilize that tool to recover the amount.

Majid Ahmed: Okay, sir. Got it. Yes, thank you, sir, and all the very best.

Kuldeep Singh: Thank you.

Moderator: Thank you. The next question is from the line of Vineet Sharma from Param Capital. Please go ahead.

Vineet Sharma: Thanks for the opportunity. I had a questions principally around the opex and the borrowing cost. Firstly on the borrowing cost, I understand our current cost has improved over the year and presently it stands close to 10.8% on a blended basis. But what would be the incremental borrowing cost and how do we see the overall blended cost moving over the course of FY '27?

Piyush Somani: So basically hi, this side Piyush Somani. I'm heading the treasury vertical. So basically our cost of borrowing for the last year was 11.48%, that has been came down to 10.80%, but the incremental cost stood to around 10.25% to 10.30%. So ideally we are more focusing towards the bank borrowing.

So the last year, that is the last closed financial year, we have borrowed majorly from the banks, PSU Banks, Private Banks, and Small Finance Bank and least from the NBFCs. So the major focus area is to build up the borrowings from the larger PSU and Private Banks.

Vineet Sharma: Got it. Understood. Secondly on the operating expenses and this ties in with the growth strategy which was mentioned. We presently would be having a cost-to-income ratio of say around 50% or so. And the growth that we are targeting going forward, we had mentioned earlier that it is going to come from adding new branches.

But given the expansion that we have done during the course of last year, there would be a lot of headroom in the existing branches also. Just wanted to understand that what kind of growth potential in the overall AUM can we see from the existing branches? And how much of that are like also if you could layer your response with what is the current mix of AUM from top state, top three states and how do we see that evolving going forward?

Deepak Baid: Yes. So actually we have 176 branches in which 18 we have added last year only. And we have started operation in Uttar Pradesh last year and Maharashtra also. So we will be opening we are having a now these branches which we have opened in Uttar Pradesh has now getting a mature.

And of course we have to the we have done expansion in existing Gujarat, MP, and Chhattisgarh also, so there also we have done expansion. So we believe that these branches are now ready to ready to earn now in position like they are they are having a good manpower, good now strength, local people are aware of the company, now they have a good logins and all. So we believe that this 30% to 35% growth what I have told we can be -- we'll be able to achieve from the existing and yes the branches which are getting mature.

And plus we will be as we have added two major state Maharashtra also, so we will be adding some more branches over there also in a same urban and semi-urban areas and from there also we be they will be also contributing towards the growth and to touching this target. So this is plan what we have set so for the coming years and what was next another question.

Top three states if you want if you want to see, so Rajasthan is of course having a maximum branches. So Rajasthan has a maximum AUM percentage. Then second will be Madhya Pradesh and then third will be Gujarat.

Vineet Sharma: And broadly what would be the composition if you don't mind sharing?

Deepak Baid: Composition for?

Vineet Sharma: And what would be the percentage of AUM in these states?

Deepak Baid: Percentage of AUM.

Vineet Sharma: And how are that all going forward?

Management: 82% is from Rajasthan, around 11% is from MP, and 7% is from Gujarat and rest is from other states.

Vineet Sharma: Understood. Thank you so much.

Moderator: Thank you. The next question is from the line of Aryan Ajmera from Holani Venture Capital Fund. Please go ahead.

Aryan Ajmera: Good afternoon, sir. First of all, congratulations for your amazing financial results. So first my question is your NIM has expanded meaningfully despite portfolio seasoning and competitive intensity. How sustainable are current spreads over the medium term spreads?

Deepak Baid: Can you repeat your question please?

Aryan Ajmera: Sir, your NIM has expanded meaningfully despite portfolio seasoning and competitive intensity. How sustainable are current spreads over the medium term spreads?

Piyush Somani: So basically hi, this side Piyush. So basically the yield is any which ways is in the same lines you can see in the last 3, 4 years. We are not reducing majorly into the yield portion. Secondly, there is a decline in respect to the inward cost of borrowing. So this is one of the catch that the NIM will be on I can say the same level or it may be increasing going forward as well. The other fees income we are more also focusing on getting the things into the top lines to be added into that way. So apart from NIM, so we are more focused towards other income as well going forward.

Aryan Ajmera: Okay, sir. So sir, does that mean your loans volume is increasing?

Piyush Somani: Yes, loan volume is increasing please pardon.

Aryan Ajmera: Okay, sir. So sir, my second question is while comparing this quarter with corresponding previous period of this year only 9 months, the company PAT has increased from INR29.10 crores to INR49.68 crores and revenue has grown from INR226 crores to roughly INR320 crores. But sir, your customer base has increased only by 4.8% during the same period mean compared to Quarter 3 to Quarter 4. Could the management explain the key factor driving such strong growth in revenue and profitability despite relatively modest customer growth?

Moderator: Sorry to interrupt, we are unable to hear you, sir.

Management: If we compare quarter-to-quarter increase in NIM, that is the one impact. In Quarter 4, we have done a DA of around of INR41 crores. So on the account of INR8 crores 66 lakhs are included in NIM. That is why our NIM is increased in quarter-to-quarter basis, Quarter 3 to Quarter 4, despite of increase of customer base.

Aryan Ajmera: Okay, sir. Can you repeat, sir, because do you receive any new orders or what, sir, I didn't get it exactly?

Management: In Quarter 4, we have done a DA transaction, we have sold around INR41 crores pool under DA transaction and on account of this we recognize upfront profit on account of INR8 crores 66 lakh. This is included in our revenue and NIM. That is why our NIM is high in compare than customer base.

Aryan Ajmera: Okay, sir. So sir, but my question is sir, how is your PAT has increased above 40% roughly only compared to this quarter?

Management: This is PAT including the impact of also upfront profit on DA arrangement. That is why PAT is showing 38% growth.

Aryan Ajmera: Okay, sir. Thank you, sir.

Moderator: Thank you. The next question is from the line of Rachna Mehta from SK Advisor. Please go ahead.

Rachna Mehta: Hi, good afternoon. Am I audible?

Deepak Baid: Yes please.

Rachna Mehta: Hi, thank you for giving me this opportunity. Also many congratulations on a great set of number. I joined the call bit late, so apologies if my questions are bit repetitive. Sir, my first question is which specific borrower segments or geographies are witnessing higher stress currently? And how much of the Stage 2 portfolio do you expect could potentially migrate into Stage 3 over the next 12 months?

Deepak Baid: See ma'am, our major portfolio is in Rajasthan, so that is almost 80%. So if you're going to see number wise, of course Rajasthan number will be higher as compared to, but if you're going to see the security which we are having the LTV with which we are maintaining on a NPA cases is around almost 35% to 38%. So we are very much in a good position to recover it.

And as these all asset what we are having as a security is a appreciable asset because we are into we takes property which is self-consumed, either a residential or a commercial property we are taking from the customers as a security. So these customers are doesn't leave this property any cost, so they take this property back and all.

So we believe that we have a handsome recovery on our bad debts also. So we have a strong LTV and we have a strong collateral with us. So we believe that our cost loss will not be there any at any time in past also and in future also.

Rachna Mehta: Okay. And sir, your PCR on Stage 3 assets appears relatively moderate at about I guess 49%. How comfortable are you with the current provisioning buffers given the pace of the portfolio growth?

Deepak Baid: So as we are having a as I told we having a secured portfolio and with a LTV as I told, overall LTV on the book stands for around 45% and on NPA 32% 35% to 38%. So we have very strong gut feelings that we will be able to receive the catch the money back. And if you're going to see the comparison with the peer companies also, the 49% is a very healthy PCR what we are maintaining on this secured asset because our 98% book is almost secured. So that is why if you're going to see with other compare peer companies also, we are healthy in PCR.

Rachna Mehta: Okay, okay. Thank you. And also you mentioned about increasing participation from banks in incremental borrowings. Could you discuss how lender conversations and sanction terms have evolved post-IPO and rating upgrade? Also how much further room do you see for reduction in cost of borrowing over the next two to three years, sir?

Piyush Somani: So Rachna, this side Piyush Somani. I head the treasury vertical for the company. So basically previous to I can say that the IPO, the challenge was the debt-to-equity is the one of the factor which was there. That now it has become ease off of taking the borrowings. So banks and other lenders were adding the risk premium before than that, more risk premium I can say that. Post-IPO, that has become easier.

So post-IPO, I can say the our cost of borrowing has been in the range of 10% to 10.25% in between of that that we are raising as of now. And the blendedly for the year it stood to 10.80%. Secondly, we are more focusing towards the bank borrowings. So previously before rating upgradations, so there are certain limitations I can say on the, per bank on AUM basis what they can extend to us.

So with the rating upgradations, so we can get an ample of fund what we will be requiring for this year. So I can say that we are decently placed in respect of getting the funds on a 10% to 10.25% rate of interest. And going forward, I can say the rating upgradations that has happened in the later week of March '26 only. So this year we will be getting an eventually benefit of around 20 to 25 bps keeping the global scenarios in place as well if in case there is no rate hikes. That is from my side.

Rachna Mehta: Okay, okay. Thank you so much for detailed answers. I'll join the queue in case of more questions. Thank you and all the best. Thank you.

Piyush Somani: Thanks. Thanks a lot.

Moderator: Thank you. The next question is from the line of Paras Chheda from Purple One Vertex Ventures. Please go ahead.

Paras Chheda: Yes, sir. Thank you for the opportunity and congratulations for the good set of results, sir. Just I had joined a little bit late, so sorry for being repetitive, sir. Sir, you clarified this Up Money issue was a one-off and a secured one. Now what is the expected timeline and quantum of recovery for FY27, sir? I mean and what steady state credit cost should we assume?

Deepak Baid: So basically this Up Money there was a balance of INR19 crores and we have made a provision of almost INR11 crores. So and we are in a healthy talk with the management and we believe that we will be able to get some good orders from the court also in our favour as our peer companies have already got a order in their favour.

So we are expecting that within the coming quarters we should be able to receive get this money back from Up Money. And the provision amount what we have created, that is INR11 crore, will be directly added to the PAT once we receive.

Paras Chheda: And there is no such you know DA issue now in in our system anymore beyond this?

Deepak Baid: No, if you're going to see DA across India, so it's a very normal transaction and it is like every NBFC, banks, and everyone is do this transaction. And there is a if you're going to see the default ratio, that is also very minimal in a DA. So but this is a, this is special you can say that because DA is very secured. It is very much secured thing. So but this is a like exceptionally you can say that this event has happened in India and through which we have we have also got a hurt.

Paras Chheda: Understood, sir. Sir, what kind of you know sort of growth rate now you know you're sort of looking at for FY27, '28, I mean in terms of the near-term trends now for advances?

Deepak Baid: So, if you're going to see the past trend, we have growth we have shown we have given a growth of 33% CAGR year-to-year from last four to five years. So, and now to we have after getting after getting a IPO listed, after capital raise also, we are now more stronger, more better position now visibility is good, the rating has got upgraded, the cost of fund has gone down, the now we have we have open our branches in other states also now we are visible and footprints in other branches.

So, we believe that we will be able to maintain better position that what we are doing at like 30% to 35% I have I believe that with this growth rate we can expect in a coming years. And we have still so many untouched states are pending. So, we can have our footprints over there and we can make a great business.

Paresh Sheth: Since it's a branch-led model of lending, I mean physically that is still sort of manageable to I mean continue this kind of a growth rate....

Deepak Baid: Yes, so we are actually this business what we are doing is can be done by the team by the team support only and with a branch support. Because these customers are NIP customers, non-income proof customers. So, we believe we whenever wherever we start operate start disbursement, so where we open a branches first and then we evaluate their income and then on the process of that we do it. So, for this all you do required a manpower.

So basically this little bit the main opex cost is a manpower cost. But yes, the per person productivity is good over there and good demand is there and being less competition in specifically this product what we are doing. So, we believe that it's a good potential market for us.

Paresh Sheth: Right. I mean which new states do you now intend to expand to?

Deepak Baid: So recently we have added Maharashtra. So, six states we are already in and but we have a lot of opportunity in Maharashtra and UP there. But yes, slowly gradually we will be coming up with the more states where we can have a potential lender customers for us.

Paresh Sheth: Understood, sir. Sir, the cost of borrowing has come down, you know, quite interestingly to 10.8% now. And so, what realistic funding cost trajectory do you see over the next 12 to 24 months?

Piyush Somani: Yes hi. Hi Paresh, this side Piyush Somani. I head the treasury vertical. So, we are trying harder so that the cost of borrowing can be decline by another 20 to 25 bps going forward as well. But you can see that since from last year, that is 11.48 was the cost of borrowing, that that has been reduced to 10.80%. And post-IPO, the leverage is one of the factor which is become ease off for the company where the risk premium that has been inculcated in the rate of interest, that seems to be in the favor of the company going forward basis as well as the rating upgradation was also one of the factor that will be factoring into the rate of interest for this year.

So, I believe that we will be able to convert and translate into the rate of interest going forward by another I can say 20 to 25 bps on a minimum side and depends upon the global scenarios also in place.

Paresh Sheth: Interesting. Understood, sir. The ROE is also improved, I mean the return on equity, to 13.7% despite the Up Money issue. Now so what is the sustainable medium-term ROE we should work with, sir, without compromising let's say underwriting quality?

Piyush Somani: So basically, I can say since last four, five years in the peak ROE that we have reached to 15 plus, that is 15.72 or 73 odd percentage. And in the medium terms I can say that we believe that it will be above 12%, 12.5% on a minimum side.

Paresh Sheth: Right. So, this sort of 13.7% that we've hit now, I mean give and take this is what we can on an average basis expect going forward to continue. And probably...

Piyush Somani: Yes Paresh, so basically the since the equity infusion has recently done. So, the translation into the return on equity is not very faster. But you can see the ROTA is there, the Return On Asset is above 3%. So, we will be trying and harder to maintain the ratios above 3% in a going forward basis so that the translation from the return on asset to debt to equity will be translated factoring to debt to return on equity on a maximum note that we see so

Paras Chheda: Right, sir. Now you know given the little bit of this uncertain situation on energy and this entire geopolitical stuff etcetera, are you seeing any stress trends in the core MSME or self-employed borrower you know base across geographies that you are operating?

Piyush Somani: So precisely we are in a geography or I can say the customer segment that we are catering to Tier 2, Tier 3 cities of India where the customers are not dependent upon majorly on I can say the factors that are involved into this scenario, that is oil or other things.

Because we are catering to a customer for a cash flow driven businesses and businesses are majorly into the rural segment which are not primary dependent upon the oil other things, or since our vehicle portfolio is 9%, that is very minuscule and so I can see that the going forward basis as well, so this scenario will not impact our kind of business as of now.

Paras Chheda: Yes, so the loans book spreads also may not pop up and at the same time we'll be able to grow as well.

Piyush Somani: Yes. If in case that if in case the oil prices are higher, maybe there may be a slightly slowdown in our business segment as well, I mean to say the customer segment that we are catering, but not on a harder note that is there.

Paras Chheda: Right, sir. And sir, just last query mine. Now we are trying to scale towards INR3,000, INR5,000 crores AUM. Now what operational or underwriting controls are being strengthened to ensure the growth quality remains intact?

Kuldeep Singh: Sir, currently the underwriting is happening on the application where everything is in control and can be monitored. Secondly, we have also introduced the RCU process last to last year. And so, every document which we can verify online, first we are fetching all the details of KYC through the integration and verifying that online. Also doing the banking verification.

Other than that, if any document like salary certificate which is not which cannot be verified online can be verified through RCU. Then after CKYC is having, then CERSAI is having. So, every aspect which has to be covered under the underwriting process with legal, technical. So legal we are having external vendors. Then again that legal is being vetted by the internal legal team.

Technical also the valuation part is also happening through the external vendors. Then there is a internal team of civil engineers who are vetting the valuation, checking the valuation amount also, four boundaries, everything is being as per the industry norms. And everything is on a digital mode. So, customer application is happening on the on the mobile application.

Then after PD is happening, so credit manager is mandatorily going to the customer's place for the PD visit. So, then PD is happening on the mobile application. Then the case is moving on the system to the next authority for the decision making. Then the disbursement is also processing through the system.

The only part which is left is the signing of e-signing of the agreement which is happening on a manual basis, physical mode as of now. And very recently, we will be coming up with the agreement signing process through the e-mode also, electronic mode also. So, the complete infrastructure is already been developed. As and when if there is any requirement as per the industry or as per the new learning, we will also implement that.

Paras Chheda: Well, perfect. Thank you so much.

Kuldeep Singh: Thank you.

Moderator: Ladies and gentlemen, due to time constraints, that will take that as the last question for today. With that, I now hand the conference over to management for closing comments.

Deepak Baid: Yes. Any more questions?

Moderator: No, sir. I have handed it over to you for any closing comments if you have.

Deepak Baid: Okay. So, what I believe that we have thank you first of all for all the joinies and thanks for questions. And we believe that in Laxmi we have made a very robust systems, lot of AIs we are using, lot of technology we have used. And due to that we are able to grow, we are able to grow and we will be able to grow in a good pace and fast pace keeping all the compliances and keeping all the risk ahead and taking care of the portfolio numbers and all.

But yes, this is all because of all the team members, all who are working hard with us and due to all these and thanks to our investors also who have made the trust on us. And because of all these factors we are able to come to this stage and future also we will be -- I can say that we will be able to achieve the numbers what we are committing here and we will work hard and we will be able to make the good numbers, good PAT, good AUM size, and good presence in across Bharat. So that all from my side. And if anything is left, you can mail us, we will be happy to reply on it.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.