Ref. No.: LIFL/SLC/2026-27/30
Date: August 17, 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 ended June 30, 2026

Dear Sir / Madam,

In continuation to our letters dated August 05, 2026, August 12, 2026 and August 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, August 13, 2026 at 12:00 P.M. in relation to the Unaudited Financial Results of the Company for the quarter ended June 30, 2026, has been uploaded on the website of the Company.

The same can be accessed at the following link:

https://www.lifc.co.in/uploads/LICF%20Q1_27%20Earnings%20Transcript.pdf

A copy of the transcript is annexed herewith.

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,

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

SOURABH MISHRA
Digitally signed by SOURABH MISHRA
Date: 2026.08.17 15:21:37 +05'30'

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

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"Laxmi India Finance Limited
Q1 FY27 Earnings Conference Call"
August 13, 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 –NATIONAL HEAD-COLLECTION – LAXMI INDIA FINANCE LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Laxmi India Finance Limited Q1 FY27 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 star then zero on a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Deepak Baid, Managing Director, Laxmi India Finance Limited. Thank you and over to you, sir.

Deepak Baid: Good afternoon everyone. And thank you for joining us for Laxmi India Finance Limited Q1 FY27 Earning Call. On behalf of entire management team, I would like to welcome our investors, analysts, lending partners, and the stakeholders.

Joining me today are Mr. Gopal Krishan Sain, our Chief Finance Officer, Mr. Piyush Somani, who Heads our Treasury function, Mr. Kuldeep Singh, our Chief Business Officer, and Mr. Sanjay Ojha, who heads Collection.

I would like to begin to saying that quarter 1 2027 has been a strong start to the year of Laxmi India Finance. The quarter reflects continued momentum across the business with healthy growth in our loan book and disbursements, improvement in margins and profitability, further strengthening of our liability franchise as well as capitalized balance sheet.

At the same time, we remain conscious that as we scale, maintaining the quality of our portfolio and discipline our underwriting will remain the most important priority for us. Our asset under management stood at INR1721.7 crores as on Q1 '27, representing a growth of 28% year-on-year.

Our own book increased by 31.7% to INR1626.9 crores. Disbursement during the quarter stood at INR232 crores compared with INR166 crores in Q1 FY26. Reflecting continued healthy business momentum, our MSME franchise remain the core of our business with MSME AUM of approx INR1,395 crores at the end of the quarter.

Our customer base also expanded to approx 43,946 customers, while our branch network increased to 194 branches across six states. The expansion of the network continues to be supported by our cluster based approach with a focus of building density in our existings market with selectively entering new geographies.

We remain particularly focused on semi urban and rural market across Rajasthan, Madhya Pradesh, Gujarat, Chhattisgarh, Uttar Pradesh and Maharashtra, where we continue to see meaningful opportunity to serve underserved MSME and self-employed borrowers. The quality of growth is also reflected in our financial performance.

Net interest income increased by 39% on year to year to INR47.1 crores. Profit before tax increased by approx 72% to INR21.9 crores, while profit after tax increased by approx 70% to

INR16.4 crores. Importantly, our ROA improved to 3.45% from 2.75% as compared to year to year.

Our NIM expanded to 11.36% compared with 10.43% a year ago. The improvement has been achieved despite of broadly stable portfolio yield, with the key driver being the continued improvement in our funding cost. Our average cost of borrowing declined by 67 bps point year to year to 10.66%. This is an important area of progress for a company.

Over the last several quarters, we have been steadily strengthening our lenders relationship, improving our borrowing mix and increasing our access to bank funding. We believe the benefit of this strengthening liability franchise will continue to support our margins and profitability as the business scale.

Our net worth stands for net worth stands for INR482.8 crores as on June 30, 2026, while our capital adequacy ratio remain stronger at 25.32% with Tier 1 capital adequacy at 24.82%. Our debt to equity ratio stood at 3.1 times and on net basis after considering the liquidity position net debt to equity is 2.57 times. We also maintain the liquidity approx INR255.9 crores at the end of the quarter. Our ALM position continue to remain comfortable with cumulative surplus across maturity buckets.

On the borrowing side, the quality of our lender franchise continue to improve. During quarter 1 we have raised approx INR296 crores of borrowing with banks accounting for more than 84% incremental borrowing. We have added new banks like ICICI at a very cheaper price, best price in fact I can say, and during this quarter.

The increasing participate of from banks together with our diversified lender base and improved credit rating from A minus to A is an important validation of the institute strengthening we have built over the last few years. Let me now address asset quality. We remain -- which remains one of our key priorities as we grow. Our gross NPA stood for 2.08% and net NPA stood for 0.93% as on June 30, 2026. Importantly, both matrix improved sequently from March 2026 level.

Stage 2 asset almost moderate during the quarter and at the same time, credit cost of the quarter was INR3.69 crores or you can say 0.95% compare with 0.58% in Q1 FY26. The increase was primarily attributed to our vehicle financing portfolio. We have started monitoring the segment closely while our core MSME and construction portfolio continues to show the more moderate credit cost profile.

Our overall portfolio remains secured and a underwriting framework continues to combine centralized credit assessment with local market knowledge, physical verification, collateral assessment, and cash flow evaluation. Collection also remains highly branch led and field intensive with a strong focus on early identification of stress and proactive engagement with borrowers. We believe this combination of secured lending, conservative underwriting and localized collection provide us with a strong foundation to manage portfolio quality as we scale.

Our strategy for FY27 remains unchanged. We intend to continue growth the business at the calibrated and profitable pace while improving productivity from branch network that we have already built and meaningful part of our growth opportunity will come from the maturation of the branches open over the last two years, particularly in a newer market such as Uttar Pradesh and Maharashtra. Along with increased density in our existing market, at the same time, we will continue to selectively add branches where we have attractive market opportunity and where our underwriting and collection capability can be replicated effectively.

We are not looking to grow simply for the sake of balance sheet expansion. Our objective is to build a scalable, high quality lending franchise with sustainable return. Our investment in technology, credit infrastructure, collection and branch level operating capability are designed to support this objective. With the strong start of the year, we remain comfortable with the medium term framework that we have communicated earlier.

We continue to target AUM growth approximately 30% to 35% annually. As our newer branch mature and operating level improves, we remain confident in our ability to deliver strong profitability growth. We have earlier indicated PAT growth of approx 40% to 45% for the current financial year, while quarter 1 PAT growth has been significantly ahead for this range.

We believe this is prudent to maintain our existing guidance at this stage and assess the performance over the next few quarters before considering any revision. Our focus remains on delivering growth while protecting asset quality, strengthening our liability franchise and improving returns over time. To summarize, quarter 1 27 has been a strong quarter for Laxmi India Finance.

We have delivered healthy growth, expanded margin, significant improved profitability, further strengthened our capital and liquid position, and continued to deepen our banking relationship. At the same time, we remain watchful on asset quality, particularly within the vehicle financing portfolio, and we will continue to prioritize underwriting and collection discipline.

We believe the combination of our branch led model, strong presence in underserved Tier 2 and Tier 3 market, prioritizing secured portfolio, improving funding franchise, and strengthening capital base provided us with a solid platform for next phase of growth. With that, I would now request Gopal to take you through the financial performance in greater detail. Gopal, over to you.

Gopal Krishan Sain: Thank you, sir, and good afternoon everyone. I will take you through the key financials and balance sheet performance for Q1 financial year '27. Net interest income increased by approximately 39% year-on-year basis to INR47 crores. Operating expenses stood at INR29.9 crores compared with INR22.4 crores in corresponding quarter last year. The increase in operating expenses reflects the investment we continue to make in our branch network, employee base, technology, and operating infrastructure as we build the platform for future growth.

Despite this investment, the strong growth in net interest income resulted in significant operating leverage with profit before tax increasing by approximately 72% to INR21.9 crores. PAT for the quarter stood at INR16.4 crores, representing growth of approximately 70% year-on-year basis.

Our return on assets improved to 3.45% compared with 2.75% in Q1 financial year '26. Our return on average net worth was 13.86%. The moderation in ROE should be viewed in the context of the significant strengthening of our equity base following the IPO and subsequent internal accruals.

Our portfolio yield remained broadly stable at 21.67%. At the same time, average cost of borrowing declined to 10.66% from 11.33% in Q1 financial year '26. As a result, our NIM improved from 10.43% to 11.36%. We believe the improvement in our funding profile is an important structural driver of our profitability. Our asset quality, gross NPA stood at 2.08% compared with 2.13% in March '26. Net NPA stood at 0.93% compared with 1.09% at the end of March.

Stage 2 assets reduced from INR46.6 crores to INR44 crores during the quarter, while Stage 3 stood at INR33.5 crores. Credit cost was INR3.69 crores or 0.95% of average gross loan. Our PCR stood at 55.22%. Our liquidity position remains comfortable at approximately INR255 crores. Our ALM continues to show a cumulative surplus across the maturity buckets with a cumulative surplus of approximately INR420 crores at the five-year bucket.

We believe the combination of strong capital, liquidity, and well-matched ALM profile provide us with adequate financial flexibility to support the growth plan for financial year '27. With this, I will hand over to Mr. Piyush to discuss our borrowing profile and funding plan.

Piyush Somani: Thank you Gopal, and good afternoon to everyone. I will briefly take you through our liability profile and the progress we have made on the funding side. Our average cost of borrowing for Q1 FY27 declined to 10% and 66 bps, compared with 11% and 33 bps in Q1 FY26. The decline in borrowing cost has been a key contributor to the improvement in our NIM during the quarter. Our focus continue to be on progressively increasing the share of the banking funding and diversification our liability franchise.

As of June 30th, banks accounted for approximately 70% of our overall borrowing mix, while bank contribute more than 84% of the incremental borrowing during Q1 FY27. During the quarter we have raised approximately INR296 crores across 9 facilities. We have added ICICI Bank as a new lending partner during the quarter and continue to deepen our relationship with existing banking partners.

Our Q1 borrowing include facilities from IDFC First Bank, Suryoday Small Finance Bank, Bajaj Finance, DCB Bank, ICICI Bank, Canara Bank, KVB Bank and Union Bank of India. The majority of these facilities were raised at rates around 10% to 10% 44 bps. Reflecting the continued improvement in across access to competitive funding. We also continue to actively negotiate rate reduction on our existing facility as repayment track record and lender relationship mature.

Going forward, our focus on the liability side remain consolidation of our existing lender mix towards banks, exploring new source of funding such as external commercial borrowing and credit guarantee back debt structure. Continued use of direct assignment and increasing our focus on PSL qualifying lending such as MSME ticket size below INR20 lakhs and vehicle loans.

We continue to believe there is another 20 to 25 basis point of reduction available in our cost of borrowing over the coming quarters assuming global rate conditions remain stable, which currently are giving the RBI neutral stance. We believe the combination of our A-rated profile, strong capitalization, diversified lender base and consistent repayment track record position us well to support our targeted balance sheet growth. With that I will hand over to Mr. Kuldeep for the business and operating update.

Kuldeep Singh: Thank you Piyush, and good afternoon everyone. Our operating model continues to be branch-led with sourcing, underwriting, collection, all happening at the branch level supported by our central credit and technology teams. As on 30th June 2026, we operate at 184 branches across six states. Addition of 25 branches over the last year, Uttar Pradesh where we added 10 branches this year, and Maharashtra where we added six branches are our two newest geographies and both are progressing as per our expectations.

Our customer base grew to around 43,946 from 37,122 a year ago. This is 37% of our borrowers continues to be first time borrowers in line with our positioning of serving MSME, small traders, transporters, self-employed customers that are largely underserved by banks and fintechs.

On product mix, MSME remains our largest vertical at around INR1,395 crores of AUM followed by vehicle finance at around INR131 crores AUM, followed by construction and loan against property at around INR90 crores, wholesale lending at around INR58 crores, personal loans at around INR49 crores.

Our overall AUM has grown at CAGR of 32.68% since financial year 23. On technology side, our sourcing, underwriting, servicing, and collection process are now largely digitalized through our LOS LMS platforms, CKYC integration, RCU based field investigation, and digital collection through eNACH, auto dialer, and payment aggregators. The only manual step remains in our process is physical signing of loan agreements which we expect to move to eSign shortly.

On the vehicle finance credit cost that Gopal mentioned, from our operation standpoint, this is specific to certain older vintages in specific geographies. And we believe this is a localized issue related to that segment and not a broader underwriting issue. We have tightened acceptance criteria and increased field follow-ups frequency in this book specifically, while continuing to grow our other secured products as planned.

Going forward, our focus remains on improving productivity in our newer branches as they mature, continuing to deepen density in our existing states, and maintain underwriting discipline as competitive intensity in MSME lending increases.

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

Moderator: First question is from the line of Deepesh J Sancheti from Maanya Finance. Please go ahead.

Deepesh Sancheti: Hi, am I audible?

Moderator: Yes, please proceed.

Deepesh Sancheti: Okay. Now the branch network has expanded from 159 to 184 over the past year. How are the new branches performing versus the mature network? And what is the expected gestation period before they reach steady state productivity?

Kuldeep Singh: This is Kuldeep. The branches which we have opened last year, the number was 25 branches. Out of 25 branches, one is already in the breakeven stage. And if we talk about the maturity, this is linked with the breakeven only. So the branch expenses and the branch income, if we calculate both, it comes around 7 to 9 months to take the breakeven stage where the AUM of a branch at around INR1.5 crores to INR2 crores.

We have actually categorized our branches into three categories, Tier 1, Tier 2, and Tier 3. So Tier 1 is having a broader resources where 5 to 6 ROs are there, the branch manager, DO, and other staff. Then the Tier 2, where the 5 to 6 ROs, then branch manager, then DO, and Tier 3 is having 2 to 5 ROs and branch manager and DO. So there are three categorization which are based on the population and the potential of that particular market. So depending on the category, it ranges from INR1.5 crores to INR2 crores when it achieves to the breakeven. Am I audible?

Moderator: Yes sir. You are audible? Mr. Sancheti, can you hear us?

Deepesh Sancheti: Hi, I can hear you. Hello?

Moderator: Yes, yes, please proceed.

Deepesh Sancheti: I am expecting that you are targeting at 30% to 35% AUM growth alongside 3.5% to 3.75% ROA and 13.5% to 14% ROE. Over the next 3 to 5 years, what needs to change for Laxmi India to transition from a regional NBFC into a larger pan-India MSME franchise? And what do you see as the biggest constraint in this ambition?

Kuldeep Singh: So we started with the Rajasthan way back in 1990s and then after when it comes to the NBFC in 2010. So after Rajasthan, we opened branches in Gujarat, then after in MP and Chhattisgarh. Then after last year, last to last year we opened UP and last year we opened Maharashtra. So we are continuously growing in terms of the branches as well as in terms of the new territory.

So this year also we will probably moving into a new state as well as growing into the existing states. So by this grow up, every year we will grow up in new state, one or two new states. So definitely it will move to the pan-India presence.

Deepesh Sancheti: But what is the AUM for the new branches for it to self-sustain or get into profitability?

Kuldeep Singh: The profitability I explained already. It takes around 7 to 9 months to come over the breakeven. So this is the tentative guidelines. Some of the branches even profitable in within 5 to 6 months and some takes 9 to 12 months also. But average breakeven achieves in 7 to 9 months.

Deepesh Sancheti: No, but what is the loan given amount at which it will break even?

Kuldeep Singh: Yeah, so that is what INR1.5 crores to INR2 crores once the AUM is built of a branch, then the branch comes on the start coming onto the profitability.

Deepesh Sancheti: Okay. And is the management really happy with the kind of ROA we are doing? Because I think for a smaller NBFC like us, this is just too smaller number of ROA.

Kuldeep Singh: ROA is almost 3.45% right now, and I believe if you compare with the peer companies, so we are very stable with it. And we are improving it and as we scale, as we are scaling also, so little, it takes time to build up. But yes, if you are going to see the graph, it is on an improving side. So we are targeting 3.5% to 3.75%. So I believe by end of the year we will achieve that target.

Deepesh Sancheti: Okay, all the best guys. Thank you.

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

Vineet Sharma: Thank you for the opportunity sir. Just wanted to understand a little bit more on the growth strategy, both on the product and market side. So firstly, on the product side, would it continue to be the share of MSME increase going forward or would we be scaling the other products as well? And on the market side, we saw some expansion in UP, MP, Maharashtra happening in this quarter. So how would the overall geographical distribution evolve as the AUM scales up? If you could share some light on both these aspects. Thank you.

Kuldeep Singh: So this year we are planning to expand into 30 to 35 branches across the existing states. And in quarter 1 we have already added 10 branches. And as far as the product size, definitely the MSME would be the focused product and simultaneously we are looking for the other products also. So we continuously doing the research and analysis for the new product addition.

So recently we have added a prime MSME product which ranges from INR25 lakhs to INR50 lakhs with some improved credit guidelines with the asking of the documents are more into this segment. And continuously we are also searching for new products and going forward in future we probably will add some new products also.

Vineet Sharma: Understood.

Kuldeep Singh: So with adding to this, our main focus will be on a secured SME MSME lending. So to customers, because since 2000 we have seen that secure business has given a best result in this any type of market. So we have a same strategy that our main core product will be and will be the same secured SME side. And with increasing the network across Bharat. So we have a presence in six states.

So now still there are many states and union territory which is untouched. So we have a plan to open those territory also and to open more branches over there in Tier 2, Tier 3 cities of the state and giving loans to such self-employed customer over there and so that they can also be a part of a growth of Bharat.

Vineet Sharma: Thank you sir, that's helpful. Just one follow up on that. Going forward say in a year or two, what would be the proportion of the top state in terms of the overall AUM? Trying to understand this a little bit more from a risk diversification perspective. If you could shed some light on that.

Kuldeep Singh: Today out of 194 branches, so the main mother state is Rajasthan. So percentage of Rajasthan will be a little bit higher, but slowly gradually the other states like Madhya Pradesh, Gujarat, their percentage is also increasing. So I believe in coming three to four years, Rajasthan will be major, yes of course. But yes, other states where we have a good presence, we have open branches, so they will be also contributing handsome percentage in total AUM.

So if you want to see, we are very conscious on a diversification also. So we are having that presence that presence in mind that we want to diversify our portfolio state wise also. So we are working on it and coming years we can see the changes in a percent holding of the states.

Vineet Sharma: Understood sir. Thank you so much.

Moderator: Thank you. Next question is from the line of Mikail Batliwalla from Lakshya Capital. Please go ahead.

Mikail Batliwalla: Hi, am I audible?

Moderator: Yes, please proceed.

Mikail Batliwalla: Yeah. So credit costs have gone up almost 1% in this quarter. What are the reasons behind this? Is this stress coming from newer geographies, newer vintages?

Kuldeep Singh: So credit cost has basically increased in a wheels portfolio. So we have a wheels portfolio, so little bit stress has come from there. Otherwise, the main product what we have is SME, secured SME and all. So there is stress we can't see the stress. But over to Gopal if you can add some more points, please.

Gopal Krishan Sain: Thank you, sir. Main reason to increase in credit cost in quarter one related to we have increased 10% extra provisioning on up money transaction, for which we have already guided in March '26 as well as in December '25. Till date we have offered 70% of provisioning in our P&L, okay. This is a case based study and this study consider current stage of case, future expected collection due to enforcement of activity.

And if we receive the collection rights by the help of the court that time historical collection experience of the organization, most likely settlement. So till date management believe 70% of ECL provisioning is more appropriate for quarter 1. Subsequently on each reporting date, we will observe further improvement of the case and act accordingly. So main reason up money. Despite of this, core business of company is remain stronger. Thank you.

Mikail Batliwalla: Okay, thank you.

Moderator: Thank you. Next question is from the line of Dhaval Pandya from Ariza India. Please go ahead.

Dhaval Pandya: Yeah, good afternoon sir and thanks for the opportunity and congratulations on good set of numbers. So a few of my questions have already been answered. I have only one question left. So from the expanding branches or the expanding states, which state or which geography showed the highest number of guidance or revenue growth?

Kuldeep Singh: So our main 90-odd branches we have in Rajasthan being mother state. So yes of course the major portfolio consists of Rajasthan because of the major portfolio the revenue income is also generated from Rajasthan majorly. But other states as I told before that other states are also improving, they are also giving good support in disbursement. So they will also be having a good percentage in future. They will be also contributing good numbers in PAT in the coming years.

Dhaval Pandya: Okay, that's it from my side. Thank you very much.

Moderator Thank you. Next question is from the line of Shivam Rathore from MB Investments. Please go ahead.

Shivam Rathore: Hello, am I audible? Yeah, so network increasing to INR483 crores while CRAR moderated from 26% to 25% at the current growth trajectory, how much balance sheet capacity do you have before incremental equity capital becomes necessary?

Deepak Baid : So basically our leverage net leverage stands for 2.43% to it and we have a handsome we have a handsome liquidity also with us in a quarter end that is INR255 crores. So to further increase in AUM of course this is a capital-oriented business, so we have to raise the capital. So we have a plan to raise capital in next financial year we will start next financial year mid we will start the process and all and we have a plan to raise further capital around INR300 odd crores.

And by that time I believe our leverage we can easily extend our leverage to 3.5% to 4% and so that we can have a good ROE also by that time. And so by that time I believe we will be required. And still Piyush, if you want to add anything to it, please. Yeah, over to Piyush.

Piyush Somani: So basically the growth trajectory, Deepak sir has already addressed that. The need of the capital is always depending upon the once we levered our balance sheet, the capital that we are having. So trajectory we will be thinking of once the leverage is reaches to the level what we have had before going for an IPO that is around four, four and a half in between of that.

The time will be reaching in we are seeing that one year, one and a half year down the line from right now. We will be starting the exercises for the fund raising so that the return on equity will be a factor of debt to equity and the ROTA will be translated into the maximize return on equity that we will be getting so far. Once we reach that stage, definitely we will be having an additionally capital of INR300 crores, INR350 crores that we are planning so.

Shivam Rathore: My next question is that what is your growth guidance for FY27 and FY28 and what are the margin guidance?

Kuldeep Singh: So, basically, we are we are growing on a CAGR basis that is around 30% to 35%. We will be maintaining this pace of growth going forward as well. The margin depends upon the cost of borrowing and other factors as well, the yield that we are giving to our borrowers. So in order to address the businesses we need to squeeze our margin going forward basis but we need to maintain in the pace of the profitability that we are seeing so.

Once the cost of borrowing is inclined -- declining phase we will definitely giving a certain pass on to the borrowers and definitely we will be maintaining this pace of margin that we are having in order to address that business going forward as well.

Shivam Rathore: Yes sir, yes.

Moderator: Thank you. Next question is from the line of Harkirat Singh from B.D. Electrocom. Please go ahead.

Harkirat Singh: Hello?

Moderator: Yes, you are audible. Please proceed.

Harkirat Singh: Yeah, my first question is regarding the El Nino impact and the global uncertainties. Are we facing any issues in our portfolio? What do we expect it to impact in our Q2?

Kuldeep Singh: So basically the global war and all this is not much affected to us because our customer base is -- belongs to Tier 2, Tier 3 cities of a state where they don't have any like transactions from between other inter country and transactions are there. So they don't have. But yeah, the crude price increase specially impact everyone and to our customers also.

So that is little bit we can see the incrementing cost to our borrowers and otherwise if you're going to see other things are not basically any impact on this. And coming quarters also we see that their collection efficiency will be well maintained and we in fact we will try to improve it or much better we to do it in the coming quarters.

Harkirat Singh: Okay. And like considering the global uncertainties, so are we aggressively expanding our AUM or we are just constant regarding our AUMs?

Kuldeep Singh So yes, of course, as I told in my speech also. So our main motive is not to increase the balance sheet size. Main motive is to recover your also after disbursement. So we are taking we have a risk base assessment and all. So wherever the stress we feel in a business area or any anywhere so we take calls, we stop funding or reduce the LTV and we keep on discussing on this risk factors across points. So on a risk factor basis, we are taking calls on a numbers, on a achievement, on a disbursement and on a customer base and all.

Harkirat Singh: Okay. And just a final question. What are net slippages in this quarter?

Gopal Krishan Sain: Slippage? INR3.26 crores. .

Harkirat Singh: INR3.26 crores?

Gopal Krishan Sain: Yeah.

Harkirat Singh: Okay, thank you, thank you very much.

Moderator: Thank you. Next question is from the line of Seema Bajaj from RK Consultants. Please go ahead.

Seema Bajaj: Hi, good afternoon team. Thank you for giving me the opportunity to ask questions. Firstly, many congratulations on great set of numbers and apologies actually I joined a bit late. So my questions might be a bit repetitive. So my first question is that cost of borrowings declined by about 67 bps if I'm not wrong to roughly 10.66% and spreads expanded to roughly 11%. So how much further headroom do you see for funding cost to decline? And what is a sustainable NIM range for the business if you could please let me know.

Piyush Somani: Yeah, hi Seema, this is Piyush, I am heading the treasury vertical. So the cost of borrowing is as of now is a you can see since last two, three years we are always on the declining phase and the best part is that the rating has been upgraded from A minus to A and we have translated it into slightly reduction in the cost of borrowing this quarter as well.

But seeing the last 12 months of incremental cost of borrowing stood to 10.48% around as of now. Blendedly it's 10.66%. I mean to say that another 20 bps to 25 bps that I am seeing so will be further reduced in this year going forward basis. Depending upon if in case there is a global scenarios is intact and there is no RBI hike is there so we will be further reducing our cost of borrowing by 0.20 bps to 0.25 bps. That's one.

Secondly translating to the business, I mean to say that giving the relaxation to the borrowers depends upon how the credit and asset qualities are there going forward basis. Once everything is intact it depending upon, I can say the management call and the board call as well, we will be we will be passing on to the borrowers as well.

Seema Bajaj: Okay, okay, and sir my second question is that operating expenses grew by roughly 34% Y-o-Y with employee cost up 36% versus 51% growth in total income. So as the branch network matures, how much operating leverage do you guys see ahead? And where could the cost to income ratio settle?

Piyush Somani: So basically Seema, since we are in the growing phase actually. So in a growing phase always there is a opex will be slightly higher in comparison to the larger piece of NBFCs. But you can see since last 12 or 18 months back we are reducing our overall I can say that cost in terms as well. But I can say since we are stepping into the new geographies, so opex in respect of opening the branches will be slightly I can say hype in certain areas.

So eventually subsequent benefits will be follow on in the subsequent months only. That becomes part and parcel of the business. So cost to income ratio is below 50% as of now, but I am seeing so the healthy cost of income ratio that we address or we internally believe that it will be around 44% or 42% in between of that. We are trying harder but still it becomes more challengeable during the growing phase as well.

Seema Bajaj: Okay, okay, and my last question is that disbursements grew roughly 40% Y-o-Y to INR232 crores ahead of 28% AUM growth. So actually how should we read this gap basically? And does the current disbursement run rate give you confidence that AUM growth can accelerate from here?

Piyush Somani: Yeah, over to Kuldeep ji.

Kuldeep Singh: Yes, that current run rate of disbursement giving us the confidence to the AUM growth also. As far as the AUM growth and the disbursements are concerned, AUM growth depends on the disbursement as well as the repayment and the closures of the loans. So that is how you can read the difference of that.

Seema Bajaj: Okay, okay, thank you, thank you so much sir. That's all from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management for the closing comments.

Deepak Baid: So, thank you everyone for your questions and for your continued interest in Laxmi India Finance. To conclude, quarter 1 '27 -- FY27 has been a strong quarter for us with healthy growth across the businesses, improving in margin, strong profitability, and continuous strengthening of our capital and funding profile.

At the same time, we recognize that sustainable growth in lending requires constant attention to asset quality. We will therefore remain disciplined in our approach to underwriting, collection, branch expansion and liability management. Our objectives remains very clear to build Laxmi India Finance into a scalable, well capitalized and sustainable lending franchisee serving India underserved MSME and retail borrowers.

We thank all our investors, lenders, partners, customers and employees for their continuous confidence and support. We looking forward to interact with you again next quarter. Thank you.

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