



Secretarial Department

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National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol - FEDFINA

BSE Limited
Phiroze Jeejeebhoy Towers,
Floor 25, Dalal Street, Mumbai- 400 001
Scrip code: 544027

Sub.: Transcript of Earnings Conference Call held on Tuesday, April 28, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the transcript of the Earnings Conference Call which was held on Tuesday, April 28, 2026.

The transcript of the Earnings Conference Call shall be uploaded on the website of the Company at <https://www.fedfina.com/> under the section 'Investor Relations' in due course.

The above is submitted for your kind information and appropriate dissemination.

Thanking you,

Yours faithfully,
For **Fedbank Financial Services Limited**

Parthasarathy Iyengar
Company Secretary & Compliance Officer
Membership No.: A21472

Encl.: As above



“Fedbank Financial Services Limited
Q4 and FY '26 Earnings Conference Call”

April 28, 2026



MANAGEMENT:

**MR. PARVEZ MULLA – MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER**
MR. C.V. GANESH – CHIEF FINANCIAL OFFICER
MR. JAGADEESH RAO – CHIEF BUSINESS OFFICER, GOLD LOANS
MR. SHARDUL KADAM – CHIEF BUSINESS OFFICER, ST LAP
MR. K. SURESH – CHIEF BUSINESS OFFICER, MEDIUM TICKET LAP
MR. VIKRAM RATHI – CHIEF RISK OFFICER
MR. LOKESH PAREEK – HEAD OF INVESTMENT RELATIONS

MODERATOR:

MR. SHREEPAL DOSHI – EQUIRUS SECURITIES

Moderator:

Ladies and gentlemen, good day and welcome to Fedbank Financial Services Q4 and FY '26 Earnings Conference Call hosted by Equirus Securities. As a reminder, all participant line 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 your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shreepal Doshi from Equirus Securities. Thank you, and over to you, sir.

Shreepal Doshi:

Thank you, Danish. Good evening, everyone. We welcome you to the Earnings Conference Call of Fedbank Financial Services to discuss the Q4 and FY '26 performance of the company. Today, we have the entire senior management of the company represented by Mr. Parvez Mulla, MD and CEO; Mr. C.V. Ganesh, CFO; Mr. Jagadeesh Rao, CBO-Gold Loans; Mr. Shardul Kadam, CBO-ST LAP; Mr. K. Suresh, CBO-Medium Ticket LAP; Mr. Vikram Rathi, Chief Risk Officer; and Mr. Lokesh Pareek, Head IR.

I would now like to hand over the call to Mr. Lokesh. Over to you, Lokesh.

Lokesh Pareek:

Thank you, Shreepal. Good evening, everyone. I would like to welcome all of you for joining our Q4 FY '26 results earnings call. Before we start, I would like to highlight that some of the statements made on this call may be forward-looking in nature, including those related to our financial performance, business strategy and growth plans. These are based on our current expectations and are subject to risks and uncertainties, including broader macroeconomic conditions. These statements reflect our views as of today and may evolve with changing business and market dynamics.

With this note, I now hand over the conference to our MD, Mr. Parvez Mulla, for his opening comments. Thank you, and over to you, sir.

Parvez Mulla:

Thank you, Lokesh. Good evening, everyone. I would like to extend a warm welcome to all of you for joining the Q4 FY '26 post results earnings call.

At the beginning of the year, we had listed our priorities as follows:

1. Conserve and allocate capital to businesses with high ROA and ROE.
2. Focus on our Twin-Engine strategy of Gold and LAP businesses.
3. To move towards a fully secured lending portfolio.
4. Expand Gold business through branch expansion and increased door step coverage.
5. Continue to foster synergies between our Gold and LAP operations.
6. Within LAP, we will concentrate on a combination of high-yield STLAP and low-risk MTLAP.
7. Expand MT LAP, with minimal capital allocation.
8. Establish leadership in ST LAP team and build team for growth and quality.
9. Continue strengthening our collections infrastructure to effectively manage delinquencies.

10. Aim for increased core income while reducing reliance on DA income. Use DA as capital allocation strategy
11. Move towards a frugal cost structure.
12. Ensure that credit costs remain 1% +-10bps.

These were our promises at the start of the year. And against that, our year as well as quarter has performed as follows:

- ✓ On the business front, we have experienced a good year, with disbursements increasing by 67% to 31,410 Cr from 18,788 Cr, primarily due to a rise in the Gold Business. When excluding BL, our disbursements have grown by 75%.
- ✓ On the AUM front, we have grown 27%, with our AUM touching 20,000 Cr in Q4 this year. This financial year, we have added 4,342 Cr to our AUM. When excluding BL, we have observed an increase in AUM of 41%.
- ✓ Gold disbursements for the quarter reached INR10,744 crores compared to INR7,853 crores in Q3 FY '26 and INR4,580 crores in Q4 of the previous year, indicating a growth of 37% and 135%, respectively. We have added INR2,447 crores of growth to gold AUM this quarter.
- ✓ The gold business surpassed INR10,000 crores, increasing 70% Y-o-Y and tonnage has grown by 12% Y-o-Y to 12.6 tons.
- ✓ Our doorstep gold loan business continues to perform with an AUM increasing by 108% Y-o-Y to INR1,730 crores.
- ✓ As promised, we have opened 34 new gold branches this quarter, bringing our total to 148 new branches this year, and we will continue to expand our branches in FY27, too.
- ✓ Despite opening 148 new branches, our AUM per branch has reached INR16.5 crores, reflecting an increase of INR4.4 crores per branch during this year. Our LTVs on AUM stand at 60.9%, portfolio level LTVs.
- ✓ In our collaborative initiative involving gold and ST LAP business, we have successfully further merged additional 7 branches, taking the total to 70 branches this year. That means 70 branches of small ticket LAP business have relocated into the premises of 70 gold branches, thereby releasing the ST LAP premises. These Vyapar branches will provide both gold loan business as well as LAP business to our customers.
- ✓ At the beginning of the year, our capital adequacy ratio stood at 21.9%. Now it has increased to 22.4%. The measures we have implemented in FY26 to conserve and efficiently use capital are as follows:
 - we 100% assigned our business loan portfolio of INR886 crores, which was executed and derecognized from our AUM. In addition to improving capital efficiency, it also ring-fenced us from further deterioration in the unsecured lending market.
 - A total of INR1,694 crores in direct assignment transactions were executed through the quarter, releasing capital.
 - Gold co-lending book increased INR1,131 crores to INR2,127 crores and INR450 crores in subordinated debt was raised in this quarter.

These measures will enable us to continue our growth story in FY27.

- ✓ As previously stated, the complete allocation of INR886 crores of business loan portfolio in the first and second quarters of FY26 this year now ensures that we maintain a secured on-book ratio exceeding 99.5%.
- ✓ In line with our priority of increasing core income and decreasing DA income, the net income from DA has decreased by 89% to INR7 crores for FY26 compared to INR66 crores for the same period last year. We had promised you that we will not rely on DA income for the PBT. Nevertheless, our operating profit has risen by 11%. If we had sustained a similar kind of DA income, the operating profit would have reflected a growth of 22% or 23%.
- ✓ The MT LAP business has demonstrated stability over the course of the year, disbursing a total of INR2,180 crores, while sustaining its yields. In Q4, the MT LAP business has disbursed INR632 crores, reflecting a 16% increase quarter-on-quarter.
- ✓ Throughout the last 2 years, the company has encountered rising credit costs in the ST LAP segment, prompting the OG to strengthen its credit policies and shift towards a system-driven BRE. The ST LAP business has disbursed INR904 crores during this financial year and INR289 crores in Q4, reflecting a 39% increase quarter-on-quarter.
- ✓ In Q3, in this business, we have moved Shardul Kadam, our CRO as the CBO in ST LAP business. Over FY26, we have hired senior leadership team and stabilized the product. We are seeing improvements in sourcing quality this year. We expect that to continue as we grow.
- ✓ Collections, senior leadership has been onboarded, field team has been strengthened, the collection framework has been verticalized. Additional personnel have been recruited, call center, legal and recovery teams at the end of '26, we have almost 2x the collection personnel that we started with.
- ✓ For shoring up collection within the ST LAP segment and increasing the PCR in Q3 FY25, along with exiting the deep bucket NPAs through that ARC sale in Q1. And the work that we have done in Q2 and Q3, we have limited our credit cost for the year at 0.8% and for Q4 at 0.7%.
- ✓ We have raised about \$250 million in ECB till date.

Finally, the key numbers are as follows.

- In business, the AUM reached INR20,153 crores, translating to a growth of 27%. Excluding BL, it's about 41% Y-o-Y.
- Gold reached INR10,352 crores, an AUM growth of 76%, substantiated by a tonnage growth of 12%.
- Mortgage AUM reached INR9,362 crores, an AUM growth of 16%
- disbursements of INR11,664 crores in Q4 FY26, up 109%.

On the profitability and asset quality side,

- the net interest income for Q4 grew 23.1% and for FY26, it grew by 14.8%.
- Operating profit for Q4 grew 24% Y-o-Y to INR162 crores and for FY26 grew 10.8% Y-o-Y to INR576.3 crores.
- Our credit cost for Q4 stands at 0.7% and for FY26, it stands at 0.8%.
- Our net profit stood at INR100.5 crores in Q4 FY26. And for FY26, it is INR343.6 crores.
- The gross Stage 3 stands at 1.9% versus 2.1% Q-on-Q and 2% Y-o-Y.

With that, I will now hand over to our CFO, Mr. C.V. Ganesh, to take you through the numbers.

C. V. Ganesh:

Yes. Thank you, Parvez. Thanks, everyone, for your participation on the call. I will add to what has been covered this far. So, I will start with 6 numbers.

1. PAT of INR100 crores,
2. 750 plus branches,
3. INR10,000 crores plus of gold loan AUM,
4. INR20,000 crores plus of entity AUM,
5. 2.6% ROA -- 14% ROE.

So, these 6 numbers sum up the quarter.

First, on the AUM growth. We have had a strong AUM growth in Q4 ex-BL, our AUM grew 15.8% sequentially quarter-on-quarter. This was led by a 31% sequential growth quarter-on-quarter in the gold loans. Just to amplify that with numbers, in the first 9 months of the year, our AUM ex-unsecured business loans grew about INR3,000 crores. Against that, in the 3 month period of Q4, our AUM grew INR2,700-odd crores. Now what this means is that if we exclude the roughly INR900 crores of the unsecured book we sold during the year, the secured book has grown a little under INR5,800 crores this year, a growth of approximately 41% year-on-year.

Within this, our gold loan AUM has grown 76% year-on-year. While this has had tailwinds of gold price growth in FY26, but we have also been able to demonstrate a tonnage growth of 12.25% during the year. So while gold has been the primary driver, this underlines our twin-engine strategy in a year where MSME lending has had headwinds as well as this buttresses our conviction in investing in the 148 new branches, most of which have turned the corner on profitability within the year itself.

Second, on yields and cost of borrowing. Our yields reduced 12 bps year-on-year due to a never before growth in the gold loan book. When you grow so much, obviously, there is going to be some impact on yield. Also, the back-ended nature of the growth resulted in the average yield optically showing a drop of about 28 bps. Our weighted average cost of borrowing was marginally lower in the quarter by 4 bps. However, with the leverage increasing to 4.6% in Q4, in the ROA tree, you will see interest expenses optically going up by 10 bps.

On the interest rate outlook, we saw cost of borrowing hardening post February as well as hedge rates on our foreign currency borrowing going up materially.

With the current geopolitical situation, we remain cautious in terms of outlook. What did we do? We tanked up on liquidity in the quarter to counter volatility caused by the geopolitical situation in the Gulf. While it has optically increased finance cost and optically reduced the net interest income for the quarter, it gives us a hedge against the uncertainty and interest rate volatility in Q1.

On asset quality, our Asset quality improved quarter-on-quarter with entity 1+ DPD improving to 6% from 7.1% in December and entity 30+ DPD improving by 70 bps and entity 60+ DPD improving by 50 bps over the last quarter. This is driven primarily by an improvement in the mortgage delinquencies, which have improved materially.

As we have executed moving away from agency-led collections to in-house collections. GNPA has also declined 20 bps quarter-on-quarter to 1.9% from 2.1% and the net NPA has declined 10 bps to 1.3% quarter-on-quarter. We have been able to hold our PCR flat at about 32.3%.

Now on the profit and return metrics. PAT was up 14.4% sequentially quarter-on-quarter and 40% year-on-year, boosted by the incremental interest income from the asset growth and lower credit costs. We crossed the psychological milestone of INR100 crores of PAT. This was an important base camp for us in our onward journey from a year of repair. We are cautiously optimistic of an upward journey from here.

Our PPOP for the quarter came in at INR162 crores, an increase of 24% year-on-year and 9% quarter-on-quarter. PPOP for the year came in at INR576 crores, an increase of about 11% year-on-year. However, as articulated earlier, if you exclude the DA income of last year, which we have consciously dialed down. The core PPOP is up 22% year-on-year on a full year basis.

The improved delinquencies resulted in credit cost decreasing 10% quarter-on-quarter, 14% year-on-year to 0.7% as a percentage of average total assets. On a full year basis, credit cost as a percentage of average total assets is down from 1.7% in FY25 to 0.8% in FY26.

On our operating leverage is playing out slowly, but surely. Opex as a percentage of average total assets reduced to 5.5% from 5.9% a year ago and 5.7% in Q3, giving us some green shoots on economies of scale playing out on an expanding balance sheet. On a full year basis, FY26 has seen a 20 bps drop in opex to average total assets over FY25 as a whole.

The ROA also continued its onward climb at 2.6%, up from 2.5% in Q3 and 2.2% a year ago. Our ROE also broke into the teens at 14%.

Now on capital adequacy. A 40% growth in AUM depletes capital adequacy and has resulted in a leverage increasing to 4.6, up from 4 in December '25. In the beginning of the year, we had consciously divested our lower ROA unsecured business to release capital for the onward climb in the secured business. In Q4, we have raised a subordinated debt of INR450 crores, which has supplemented our capital adequacy by 3%. Consequently, in spite of the healthy asset growth, our CRAR at 22.4% as of March is up from 20.5% in Q3.

This gives us ample headroom for growth in the coming year. As the numbers over the last four quarters of this year show, we have attempted to build resilience and consistency in terms of asset quality, credit cost and upward linear trajectory in return metrics. We are deeply grateful for your support in this exercise.

With that, I now hand it over to the floor for questions-and-answers.

Moderator:

Thank you so much, sir. Ladies and gentlemen we will now begin with a question and answer session. Our first question comes from the line of Digant Haria from Greenedge Wealth. Please go ahead.

Digant Haria:

Thank you for the opportunity and sir congratulations for the century. It's the first time you have crossed the INR100 crores mark. And given that the back-end nature of growth and what Ganesh ji mentioned that we have built in some liquidity just for a rainy day in the coming quarter. So I think the century will probably remain our base. So congratulations on that.

My question, I have two questions only. One is on gold loans. Like, Parvez ji you mentioned that second half is generally heavy for us and it was exactly like that. The question here is that we have had such strong growth. But only one thing is that the yields have probably been a little softer in the last two quarters.

So I just wanted to know the growth strategy. Like is it in the new branches just to ensure that we reach breakeven, we are giving discount schemes in the initial days. And like what are we doing on the growth front, like the top-ups versus new customers versus other things? If you can just highlight the color of growth?

Parvez Mulla:

Yes, Digant, thank you so much. Thank you for remembering that we had said that we will grow in Q3 and Q4 differently from what we did in Q1 and Q2 because that's the way our seasonality plays out. Also, if you remember, I had spoken about tonnage growth. You have seen the kind of tonnage growth that we have delivered Y-o-Y. It's a 12% tonnage growth. And we are very conscious of that tonnage growth. As far as yields are concerned, there are two factors which are playing in here. So if you take about 30 bps here and there, which you are comparing, I would break it into two parts. There could be a 5 to 10 bps, which we could have done on the yield front. But the balance is because of the back ending of the disbursements. When you have such a large number of disbursements, which are happening in the last quarter and there is a back end, that is the effect. So, the yield effect is hardly 10 bps and I think in Q1, that we will cover back.

When you're playing in a market which is competitive and when you're pressing the pedal for Q4 and when you are trying to get the tonnage growth, 10 bps here and there is okay because we'll cover it in Q1.

Digant Haria:

So it's only 10 bps. I just thought the yield at origination. I understand that optically the reported yields will not reflect because of the back-ended nature. But at origination, have we seen any meaningful pressure on the yield? And like is it because maybe you are doing slightly larger ticket sizes or there is absolutely nothing like that and the yield at origination still remain healthy?

Parvez Mulla:

Yes. So in the quarter 4, there tends to be that tendency to play with the origination yield in the sense of different geographical markets, we do that. But overall level, it's steady. What we did in last quarter, that is exactly last Q4 FY25, we did exactly the same thing in FY'26. It's a seasonality play. You will see us Q1 back to the same pockets.

The competition pressure that you are talking about is yet to play out is the way I would put it. The competition yet to get those branches in the spaces that we are operating and we are yet to see that pressure play out, although it might, but it has not yet played out and that is not what has happened. This is unprecedented disbursements. And I think we are in the same zone where we wanted us to be.

Digant Haria: Perfect. Okay. Great for that detail. Second question is that now we have this new guideline of 75% LTV across the life of the loan. So just internally, like what are the process level changes we have done? Because if we don't do any changes, then optically, the NPAs might go up because some customers may just go higher than 75%. And so there is no credit cost risk at all. But still optically the NPAs in the coming quarters for the industry may go up because of this guideline thing. So how have we decided to tackle this or any insight here?

Parvez Mulla: These guidelines have come effective this April. There are two sets of guidelines. The guideline that you are talking about that we have to maintain 75% across the loan that was an earlier guideline. The revision in guideline, which will happen from April '26. We are executing it. And I will request Jagadeesh to elaborate it for you. He will give you all the details that we are doing and how we are derisking, what we need to do on the operations side.

Jagadeesh Rao: Yes. Hi, Digant.

Digant Haria: Hello, Jagadeesh.

Jagadeesh Rao: Yes, hi. So, this margin breach has nothing to do with the delinquencies of the book. So, that is the first point. And on the margin breach regime, last year, we were following 75% regime. Now it has changed to 85% for exposure up to INR2.5 lakhs and 80% for exposure up to INR5 lakhs and anything above INR5 lakhs, it is 75%. So there is room given by the regulator for playing on the LTV.

While 90% of the book is less than 75% for FEDFINA, we don't see any impact coming out. And like I said, margin breach, even if there is a margin breach, there is no need of any provisioning or no need of treating it as a delinquent book other than initiating for margin collections with the customer.

Digant Haria: Okay. So it won't impact the NPA recognition. That's good to know, sir.

Jagadeesh Rao: No impact.

Digant Haria: Perfect. That is very helpful, sir. Sir, and last question is on the small LAP piece. I see that we have recruited some really good people on the collection side. So maybe this year, we have built the collection team. So, like do we have a little more confidence than last year that in FY27, this portfolio may actually grow and deliver positive kind of ROAs also?

Parvez Mulla: Yes, Digant. Definitely, I am much more confident than what I was 1 year ago when we were giving you a guidance that there will be a GNPA number which will increase and we will hold the credit cost. Definitely, the collection efficiencies have improved. What we have also changed is the ST LAP business had a percentage of collections happening through agencies. We have now moved it to our own people. Our own people have joined us last year and now have spent about 3 to 6 months vintage and they have started giving us results.

So definitely, we are positive on the ST LAP business in terms of the past GNPA's also. And we are also confident about the new book that we've written in the last 1.5 years. So I think that piece, definitely, we are confident about. What we are now working on is picking up the growth

story. You would see that last year, we were hovering around INR200 crores. March definitely is a good momentum quarter for everybody. So we did clock INR290 crores.

But definitely, that is where we are working on to pick up the business. And even on the business front, we have hired new people who come in last year and the productivity will start jumping up there, too, although we are taking it under the new credit BRE that we have done. So it will pick up steadily, and we are happy with that.

Digant Haria: Okay. Perfect. Thank you. Thank you everyone for this detailed answer. Thank you and all the best.

Management: Yes, thank you Digant.

Parvez Mulla: Thank you, Digant.

Moderator: Thank you. Our next question comes from the line of Meghna Luthra from Incred Equities. Please go ahead.

Meghna Luthra: Yes, hi, sir. Thank you for giving me the opportunity and congratulations on a good set of numbers. Sir, a few questions. One is, since our average ticket size in gold loan is around the INR2.7 lakhs mark, how has the new KYC rule impacted disbursements? Has it impacted disbursements at all?

Jagadeesh Rao: No, there is not any KYC rule as far as we know. Can you be more specific?

Meghna Luthra: Sir, from our understanding is that loans above INR2.5 lakhs have to go through a KYC and most likely the customers who are coming for a gold loan do not prefer going through KYC, say, on the CIBIL or based on the Aadhaar card and other details.

Jagadeesh Rao: This is actually with effect from 1st of April 2026, the new regime. So it is not about KYC, it is about the assessment. When the exposure increases INR2.5 lakhs, we need to do a basic assessment on the income and basically the cash flow of the customer to understand the profile a bit more in detail. So, we are prepared and after April 1, we are completely on. We are live with our systems, our integration with the credit bureau to understand the existing obligations not. And we don't see much of an impact. But yes, there is an impact on the practice of our branches, our staffs servicing because that's a new journey for them. But yes, over a period of a month or so, we expect stability there.

Meghna Luthra: Okay. Got it. And sir, another question was on the co-lending. What is the co-lending spread in the core loan book?

Jagadeesh Rao: Sure. So our overall book under CLM is 21%, which is around INR2,100 crores. And that gives an AUM level spread of around 4%.

Meghna Luthra: Okay. Got it. Another question, sir, on other income, we are seeing that the disbursement growth was very strong during the year. However, our fee and commission income declined on a year-on-year basis. Sir, would you like to highlight that how do we see that moving ahead?

- Parvez Mulla:** The other income, Meghna, is actually coming from the LAP business. And the LAP business disbursements, they have not been as strong as the gold business disbursements. So that is where you are seeing that piece. And one more element, is also about business, you might be seeing if you're looking at FY25, there is business loans through which I had the fee income coming in, which is not there in the year now.
- Meghna Luthra:** So sir, how do we see this line going forward? Do you think we could see a reasonable amount of growth?
- Parvez Mulla:** Yes, it will because, as I said, I'm picking up the disbursements and the disbursements on the ST LAP business will pick up and on the medium ticket LAP business will pick up, and it's a direct correlation there. So on the ROTA tree also, we are expecting 0.8% to 1% coming from the fee income side. So this should pick up going forward. And also BL won't be in the base of FY26.
- Meghna Luthra:** Thanks, thanks. Okay. And sir, on AUM growth, you would be building in some sort of gold prices in the growth strategy. How do we see the gold loan book growing during the year and also the LAP book, the MT and ST LAP book?
- Parvez Mulla:** Yes, Meghna, so we've been giving an overall guidance last year also. And we said we will be a 20%, 25% AUM growth company, and we'll continue with that.
- Meghna Luthra:** And sir, lastly, what would be the incremental cost of funds during the quarter?
- Parvez Mulla:** CVG.
- C.V. Ganesh:** Yes. Meghna, right now, as I said, it's an uncertain environment. It would be hazardous to sort of have a guess around that. We are watchful. As I said, we have tanked up on liquidity. We do not foresee us needing too much of money in the market, at least till the geopolitical situation cools down. And then we are hoping Q2 is a new quarter.
- Meghna Luthra:** Okay.
- Moderator:** Thank you. Our next question comes from the line of Chintan from I-Securities. Please go ahead.
- Chintan:** Yes. Thank you for the opportunity and congratulations on the strong set of numbers. So sir, just diving deeper into this gold loan. So disbursements for gold loan, if I look at the number, they have almost doubled in FY26 versus FY25. So, what is the kind of key factors which would have contributed to this loan as in branch expansion plus I think we also have doorstep banking. So what would be kind of the mix? How much would be from those banking? Trying to understand what could be the run rate which could sustain going forward? That's the first question.
- Jagadeesh Rao:** So yes, there are multiple drivers. Obviously, the first driver is the new branch and the existing branches giving more productivity in the existing book. So, from INR12.5 crores, we have reached around INR16.5 crores average per branch book size. Another driver is the doorstep gold loan. Doorstep gold loan stands at around INR1,730 crores AUM, which is 17% on the overall AUM. So these are the two major drivers. And as we always promised, we concentrated

on the tonnage and the tonnage has grown around 12.5% for this financial year. These are the three major drivers.

Chintan: Sure. In terms of this AUM per branch, that is almost 16.5. So probably our peers could be somewhere around at my best peers, I think, like around INR18 crores to INR20 crores-odd. So, what is the maximum stretch, I think, which we believe could be stretched on AUM per branch? And what is the branch expansion idea for the next year, particularly for gold loans?

Jagadeesh Rao: So just to detail there, we have opened 148 branches. Even after opening branches, our average -- overall average is 16.2. But when you see the branches which were there in FY25, we reached around INR20 crores of average AUM per branch there. So we are at par with the market as we speak.

So the capacity of every branch we have is to accommodate at least INR60 crores, INR65 crores of portfolio. And that's the size of the safe room. That depends on the locker, how much lockers we can keep it in the branch. So we are capacitized to reach around INR60 crores, INR65 crores per branch book.

Parvez Mulla: So Chintan, one way of looking at that also will be to look at each of the competition and look at what is the vintage of the branches you have. So you will have certain branches, which are in the range of INR20 crores, INR25 crores, they will grow at a particular rate. The INR15 crores to INR20 crores will grow at a particular rate, the INR5 crores to INR10 crores will grow and the new branches will grow at a particular rate.

And depending on the geography that you have these branches, you will have kind of growth because there will be wide spaces available in the Western and Northern geographies and the Southern geographies will be a little dense. And plus we add the doorstep. That's how we model our growth story.

Chintan: Sure. And so sir, hypothetically, assuming if there is a decline, say, 10%, 15% in the gold prices. So, in that kind of scenario, what could be the growth we should be targeting at overall AUM growth for gold loans?

Parvez Mulla: Yes. when we do our budgeting exercise with gold loan, we start with the tonnage growth irrespective of the price. So we will be budgeting for a 10%, 15% tonnage growth. Our branches are modeled for tonnage growth in terms of the KRAs as well as the drivers as well as the support that we give them. That is how we drive our branches. And we take price as a bonus. And there could be ups and downs, which could happen. But overall level, even if you have a flattish kind of a price play next year, we still should see a 20%, 22% growth on the AUM on the gold side for a flattish price.

Chintan: Sure, sure. And so, on gold loans now on the overall AUM front, so kind of what would be our guidance? So 20%-odd guidance remains, right, on the overall AUM growth?

Parvez Mulla: Yes, 20% to 25%.

- Chintan:** Sure sir. And sir, lastly, on the margins front, I think if you could just help me with the breakup of the fixed and floating book on the asset and the liability base. So just wanted to understand if there is a rate hike kind of scenario, how are we placed on that front?
- C.V. Ganesh:** Yes. So, roughly about a quarter of the book is on fixed. And here, I'm excluding the commercial papers we take. Now commercial papers, we would have 6 months, 1 year also. So if you factor commercial paper of a longer duration also, roughly 30%, 35% would be fixed. So there is some insulation there.
- Chintan:** Yes. On the overall borrowings, it is kind of 30%, 35% is fixed, including CPs?
- C.V. Ganesh:** That is correct.
- Chintan:** Yes. And sir, on the asset side, the largely gold will be entirely fixed. And LAP portfolio?
- C.V. Ganesh:** I think the way you will have to look at it is, that in gold because of the shorter tenure, right, we have the opportunity to reprice on maturity. So, I think we have the opportunity and we have the insulation.
- Chintan:** Understood. Fair enough. Okay, sir. Thank you. I think that is it from my side. Thank you. And I will come -- join back in the queue and all the very best for the future quarter.
- Moderator:** Thank you. Our next question comes from the line of Shreepal Doshi from Equirus Securities Private Limited. Please proceed.
- Shreepal Doshi:** Hi, sir. Good evening. My question was pertaining to the growth side. So as you said that even if the gold price remains steady, we would be growing at 20%, 22% on the gold side, which would be on the back of 10% to 15% gold tonnage growth. But if you look at next year, how are we looking at the mortgage segment growth coming back? Because next year, we might not see similar level of gold business growth. So, on the mortgage side, if you could give us some clarity on the small ticket LAP segment growth or how we are seeing the trends emerging there in terms of not only asset quality-related trends, but also how our newer framework is helping us on a better growth trajectory going ahead?
- Parvez Mulla:** Shreepal, whatever questions I've answered, I've answered the overall growth. I've answered the gold growth. Now the only thing remaining was the mortgage growth. It's a subtraction, right, arithmetic.
- Shreepal Doshi:** But sir, that ST LAP as a segment, I mean, it was a challenging segment for the industry at large as well. And then while the industry has started to showcase some signs of recovery, at least on the bounce rate as well as forward flow rates, are we also experiencing the same? Because on the disbursement side, when I look at the numbers, it still is broadly sticky on a quarterly run rate level of INR300 crores now?
- Parvez Mulla:** Yes. No, I understand your question. See, what I am saying is at a mortgage level, we'll look at that growth. Within the mortgage team, we have the medium ticket LAP and the small ticket

LAP. So that, we will leave it for the year to play out. So at an overall mortgage level, we'll still do that growth.

Shreepal Doshi: Okay. So, if there is continued slowdown, you would try to cover up with MT LAP doing relatively better than ST LAP?

Parvez Mulla: Yes, that's how we will. As a strategy, the advantage of having multi-products is that. When you have an injured product, which has come out of an injury, I agree with you, it will take some time to get into the 20 growth story, although we will try it, but we will also be cautious of the quality that we want. But at an overall level, first, we'll get the mortgages to be at that growth. And if the gold supports then we deliver the AUM growth of 20%, 25%. And within the mortgage, we see how ST LAP plays out in Q1, Q2 and then pick up MT LAP accordingly.

Shreepal Doshi: Got it. Sir, why I was asking that question is because that ST LAP as a product also helps us on margin side given the relatively better yield versus the MT LAP. Got the answer for the same. And sir, for next year, while I heard that you had alluded about it. But on the, let's say, credit cost and ROA/ROE front, what is the, let's say, FY27 and FY28 target that we have from a range bound perspective, if you could highlight?

Parvez Mulla: FY26 was a rebuild year for us. We had told you it will be a rebuild year, and we will work on the credit cost. And that was our single biggest promise that on FY26, you will see the credit cost being shaved off. And that's what we wanted it played out. In FY27, the credit cost should remain in a range bound, we should work on the opex. And between the opex and credit cost, we should get the upside to see an ROA better -- approximately about 20 to 30 bps betterment of ROA from the average ROA that we have delivered this year. So the trajectory will be in that direction.

So if you're seeing a 20, 30 bps improvement on ROA, then at a PBT level, if I say 40 bps, that should come from credit cost or opex. And since it's a year after the rebuild year, we will toggle between these 2 and figure out where it has to come from with the rest of the ROTA tree remaining the same.

Shreepal Doshi: Got it, sir. Thank you, sir. Thank you so much for answering our questions and good luck for the next quarter.

Parvez Mulla: Thank you.

Moderator: Thank you. Our next question comes from the line of Devansh Dhruv from Equentis Wealth Advisory. Please go ahead.

Devansh Dhruv: Congratulations on a good set of numbers. My first question was where do we see our yield settling in FY '27? So, I'm talking about the origination yields. Where do we see them settling? Will they be at this levels or will they improve?

Parvez Mulla: See, as far as yields are concerned, I think the LAP yields have held. There could be a 10 bps here and there, but they have held the medium ticket LAP as well as the small ticket LAP business, and they will continue to hold in the next year also. The gold business is where you've

seen some yield play out in Q3 and Q4. And by Q1, you should see some bit coming back. And if the competition is not active and there is a steady state, then the gold yield also should come back to the Q2 levels that we had seen in FY '26.

Devansh Dhruv: Okay. That is helpful. My second question is, I think we have not mentioned our active customer base in our new presentation this quarter. So what would that be? And if not that, I think we are doing a run rate of customer acquisition every month. What is that exactly right now?

Jagadeesh Rao: So on gold, last year, when we closed, we were at an average customer base of 2.56 lakh. This year, we are crossing 3 lakh active customer base, recording a growth of 17% on Y-o-Y basis.

Devansh Dhruv: Okay. 3 lakh active customer base. I think Q3, we were at 2.7, right?

Jagadeesh Rao: 2.67, yes, around 2.7.

Jagadeesh Rao: So, that means 12% active customer base increase in Q4.

Devansh Dhruv: In Q4. Okay. That is quite a healthy run. What could we attribute that to?

Jagadeesh Rao: Yes. New customer acquisition was around 60,000 in Q4.

Devansh Dhruv: 60,000. So we have actually doubled. So, we were adding around 30,000 customers per month, if I'm not wrong, and now we have added 60,000 this quarter, right?

Jagadeesh Rao: 60,000 per quarter, yes, that's right. That's the scenario in Q4, this is a result of around 148 new branches where new branches contribute to whatever disbursal that they do, that's new customers.

Devansh Dhruv: Okay. So we would attribute that to the new branches that we've added. Any other strategy change that we have?

Jagadeesh Rao: 50% of that will get attributed to the new branches. Rest of it is coming from the existing branches.

Devansh Dhruv: Okay. Fair. And my other question was, are we seeing any asset quality stress in the month of April? How is April for us on the side of asset quality and on the side of growth?

Parvez Mulla: See, as far as quarter 1 is concerned across the industry, the collection efficiencies are very different in quarter 1. The kind of collection efficiencies play out across the industry. But if you're asking me as far as the industry is concerned and if you're talking about the environment, whether it is affecting, the businesses that we are in, we get a lag effect.

So the banks will see that kind of effect first, then it will come to the larger players. And then we, in the affordable segment will see it because our customers are in the supply chain slightly 2, 3 links away. So we will see it later. So right now, we are not seeing anything from the customer side.

- Devansh Dhruv:** Okay, fair. And the average ticket size that we have right now, where do we see that going? Like I think we are at INR2.7 lakhs. Do we keep on continuing to increase that for our tonnage growth? Or where do we see that going?
- Jagadeesh Rao:** No, we see it to flatten. It's actually depending on the gold prices. If you see the average ticket have grown from INR1.5 lakh to INR2.5 lakh, INR2.6 lakh. This is basically a price growth scenario. We have seen similar kind of growth in the gold prices. If you compare the April '25 price of gold per gram and March '26 price similar kind of growth we have observed. So that is reflected in the average ticket size. So, if price stabilizes, the average ticket sizes will also stabilize.
- Devansh Dhruv:** Okay. So, if price stabilizes, ATS stabilize. Okay, fair.
- Moderator:** Our next question comes from the line of Aravind Ravichandran from Sundaram Alternates. Please go ahead.
- Aravind Ravichandran:** Sir, 2 questions. One is, seeing delinquencies improving according to the presentation. So, like, can I safely assume that it is primarily because small ticket and medium ticket LAP segment? That is my first question.
- And second question, like we have built capacity in the mortgages segment over the last 5, 6 years. And especially your disbursements have obviously come down because of whatever reasons. Can we expect growth to come back without meaningfully increasing cost? That is my second question, yes, for next 2 year at least?
- Parvez Mulla:** So the delinquency question, it is at an entity level that you are seeing, but we also have our delinquencies on the mortgages level coming down. But that delinquency at a 1+ DPD, which has come down. But the entity level that you are seeing, it has all the 3 businesses, which is showing.
- And as far as growth is concerned, yes, our growth had got stunted in the small ticket LAP business because of the issue which we faced 1.5 years ago, it was our issue and which we have resolved and are moving forward. So unless there is an environment challenge, we should continue on the same trajectory that the market is operating at. So the disbursement should take the trajectory how the market takes.
- Aravind Ravichandran:** My question was also on like can we see revenue growth here because meaningful improvement in opex growth in this particular segment? And what kind of ROA expansion it could lead to, let's say, over next 2 to 3 years? That's what I was trying to understand?
- Parvez Mulla:** Yes. So the ROA expansion, which I guided was about 20, 30 bps on the FY '26 ROA. The FY '27 ROA, you will see a 20, 30 bps expansion. And that expansion, as I said, could come with the reduction in both the opex as well as the credit cost. So it could be a play between these 2. And that is how we will continue in FY '28 also.
- C.V. Ganesh:** So Aravind, I'll just add on to what Parvez said on that. See, the medium LAP for us is a variable cost business. So obviously, it is accretive as soon as we get the business. Also, we recover more

fees than the origination cost. So all of that, obviously, the more medium LAP we do, the more profitable it is.

On the small LAP, if you see the volumes this year, our belief is it can only get better because the infrastructure is there, the people are there, they are gaining vintage. The leadership is there. It's a matter of the execution kicking in. It's not a matter of whether, it is a matter of when. And obviously, the reason we have invested so much is with the optimism that it will supplement our return ratios. So I think the answer to both is, of course, yes.

Moderator: Our next question comes from the line of Rahul Kumar from Vaikarya. Please go ahead.

Rahul Kumar: Can you help us the numbers of write-off for the business and in the mortgage business?

CV Ganesh: You're talking about the quarter?

Rahul Kumar: Yes, this quarter and the previous quarter as well?

CV Ganesh: Yes. So previous quarter, I don't think we had anything. This quarter, we would have had about maybe INR14 crores, INR15 crores roughly.

Rahul Kumar: Okay.

CV Ganesh: But the credit cost line reflects the impact of all of these items.

Rahul Kumar: Yes. The second question would be, would it fair to say that now we are the past point of maximum slippage in the mortgage business and then -- I think the credit quality in this segment should improve from now onwards?

Parvez Mulla: Yes. See, the incremental slippages should show a declining trend if the environment remains steady because we went through our own challenging situation and our slippages were because of our own reasons. And once we put down those own reasons behind us, the rest of the things should fall in just the way it is operating for the market. So we should align ourselves with the market in terms of the slippages. So we should see a decent story going forward.

Rahul Kumar: Okay. So Ganesh, sir, can you help us with the figures of mortgage slippage in this quarter and the previous quarter?

C.V. Ganesh: We don't put it out by segment. But if you see, the delinquency metrics improving means that there has been a material improvement.

Moderator: Our next question comes from the line of Aditya from Securities Investment Management. Please go ahead.

Aditya Khandelwal: Firstly, on the small ticket LAP, the book we have of INR3,800 crores. So are we making money currently on this considering the credit costs which we have incurred this year and the investment in collection and just on building the teams. So this INR3,800 crores book, are we making money on this currently?

- Parvez Mulla:** See, as we said, we are reviving. We are very bullish on this particular business. And it will be unfair of us to answer that question right now when we have told you that we have gone through a tough period on that, and we've rebuilt that book. So maybe a year later, we should be in a better position to answer that question.
- Aditya Khandelwal:** Understood, sir. But sir, going forward now, this growth in small ticket lab, is it more dependent on how the external environment is for you or it is more on further internal restructuring, which we have to undertake? So the growth is going to be dependent on which of these 2 factors?
- Parvez Mulla:** External environment will always play out for every company. As far as we are concerned, we are behind with our internal issues. We have already structured the ST LAP business. Our leadership team in each of the state is present. They have a vintage in those states, and they have started delivering decent productivity and that productivity needs to move up.
- So we know the tracking that we are doing state-wise further disbursements to pick up on the ST LAP side. And we are monitoring our collections team. As you know, we had invested into the collection side for the ST LAP business, verticalized it, looked at the collection efficiency. So all those things are behind us now.
- So we should align with whatever happens in the market because see, we are operating in a volatile environment as far as the world as well as India is concerned. And those kind of things, I can't give a guidance on. But our internal issues, I am telling you that it's behind us.
- Aditya Khandelwal:** Understood, sir. And lastly, sir, on fundraise our debt equity is now 4.6%. Any particular level beyond which we wouldn't be comfortable? And when would we be looking for a fundraise?
- C.V. Ganesh:** See, what you are talking about is an area of competitive advantage for us. So we have room there for expansion. We have comfortable covenants. I think I'll just leave it there.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would like to hand the conference over to the management for the closing remarks. Thank you, and over to your team.
- Parvez Mulla:** Thank you so much for joining in. Really appreciate, and thank you so much for supporting us.
- Moderator:** Thank you so much, sir. Ladies and gentlemen, on behalf of Equirus Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.