FINANCE BUDDHA

FINBUD FINANCIAL SERVICES LIMITED

#10, 1st Floor, 9th Cross, 6th main, Jeevan Bheema Nagar, HAL 3rd Stage, Bangalore - 560 075
+91-080-40904156 www.financebuddha.com Email: Info@financebuddha.com
CIN # U67190KA2012PLC064767 GST # 29AACCF0339C1Z1

To, **June 01, 2026**
Listing Compliance Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai — 400051

Company Code: **FINBUD**
ISIN: **INE0EDU01014**

Sub: Transcript of Investor Conference Call held on 27th May, 2026

Dear Sir/Madam,

In continuation of our earlier letter dated May 27, 2026 informing about the audio link of the Investor Conference Call and Pursuant to Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is hereby submitting transcript of Investor Conference call which was held on Wednesday, 27th May, 2026 at 4:30 P.M.

The transcript may also be accessed on the website of the Company at www.financebuddha.com.

You are requested to take the same on your records.

Thanking you,
Yours faithfully,
For Finbud Financial Services Limited
(Formerly known as FINBUD FINANCIAL SERVICES PRIVATE LIMITED)

Finbud Financial Services Limited Bangalore

Vivekananda Bhandarkar Udaya
Company Secretary & Compliance Officer
Membership No.: 52278

Finbud Financial Services Limited

Q4 FY26 Investor Conference Call

Event Date/Time	: 27/05/2026, 16.30 Hrs
Event Duration	: 1 hour 15 mins 20 secs

CORPORATE PARTICIPANTS:

Mr. Parth Pande

Whole-Time Director

Mr. Vivek Bhatia

Whole-Time Director

Mr. Parag Agarwal

Whole-Time Director & Chief Financial Officer

Q&A PARTICIPANTS:

1	**Chirayu Singhnia**	: Aarth AIF.
2	**Samruddhi Shinde**	: PhillipCapital.
3	**Rahul Bangadia**	: Lucky Investment Managers.
4	**Sriganesh Burugucherla**	: Shubh Capital.
5	**Ganesh NA**	: Dhanalakshmi Investments.
6	**Nupur Karnani**	: Aarth Growth Fund.

Moderator

Good evening, ladies and gentlemen. I am Karthikeyan, moderator for the conference call. Welcome to Q4 FY26 Earnings Call of Finbud Financial Services Limited. We have with us today Mr. Parth Pande, Whole-Time Director; Mr. Vivek Bhatia, Whole-Time Director; and Mr. Parag Agarwal, Whole-Time Director and CFO.

As a reminder, all participants will be in 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 a touch-tone telephone. Please note, this conference is recorded.

I would now like to hand over the floor to Mr. Parth Pande. Thank you, and over to you, sir.

Parth Pande

Yeah, thank you. And we would like to welcome everybody who's on the call to our final annual results for the last financial year. Thank you for joining the call. We will spend the next few minutes just taking you through how our results have been for the last financial year and also give you a perspective of how we look at the business moving forward.

So FY26, in many ways, was a landmark year for the company. We completed a successful IPO. There was robust growth in revenue and margins. We crossed over 10,000 crores of loans with what’s on the platform across both our agent and our digital verticals. We were able to add new geographies. We added new categories. In addition to that, we also got a shareholder approval to move the digital business into a new entity, which is now branded as ZAP, and that is going to increase our focus on the digital business, and we'll be discussing about that going forward.

We received an RBI approval for appointment of the CEO for the NBFC, Mr. Ajay Vikram Singh. We'll also be talking about Ajay's background more in detail in the coming slides. Now going forward, the Finbud digital business has been rebranded as ZAP, and the lending business under the NBFC is branded as EQUALL.

A summary of the financial performance. Revenues for last year came in at INR 317.9 crores. That was a 42% YoY growth. The overall EBITDA in the company came in at around INR 19.9 crores, which was a 35% YoY growth. The overall PAT was around INR 11.6 crores, which was a 39% YoY of growth. Over INR 10,250 crores of loans businesses on the platform. The mix between the agent and the digital business was 86% and 14%. So 86% came into the agent marketplace, 14% disbursals came in from the digital business.

In terms segmental margins, the agent business had an EBITDA margin of around 4.5% last year. The digital EBITDA is already at 14%, so roughly three times of the margin on the agent side. We have over 5 crore customers now who are part of the customer base. We have over 100-plus lenders who are live on the platform. And I think forward-looking, we are wanting to get to an INR 1000-plus crore revenue by FY30. That's the ambition that the company is sort of taking.

We are backed by marquee names across public markets as well as professionals in the financial services space. Bandhan Mutual Fund is an investor with us. Mr. Ashish Kachoria is a large investor with us. Mr. Ajay Srinivasan, the ex-Group CEO of Aditya Birla Capital, Founding CEO of ICICI Prudential, he is a significant shareholder with us. And Mr. Shankar, one of our earliest backers, the Founder of CAMS, continues to remain a large shareholder in the company.

I think the agent marketplace is essentially the way we look at this business. It's our positive tax and data-generating engine. The agent marketplace today contributes around 86% of the revenue of Finbud, and it has made Finbud one of the top five loan aggregators in the country. We came in at INR 273 crores of revenue on the agent side. This business has been growing at a 30% CAGR for the last six-plus years, and we are now present in over 15 states, 50-plus cities, and over 50,000-plus last-mile agents on the platform.

The agent business essentially creates data, which is the biggest moat for the company. And this is essentially what creates the flywheel on which Finbud is built. So, distribution builds the customer base. The data turns it into a lever for all future growth. And the digital business, which is now branded as ZAP, the NBFC business under EQUALL, is essentially something that stems out of the data moat. So the agent sources applications, the data has accumulated on our data lake over a period of time. Now we have over five crore customers on those data lake. We use the information that is available on the platform to create offers, which essentially becomes the foundational layer on which our digital business is built.

And now, the NBFC business that we are building under EQUALL follows the same principle. And the more the agent business continues to grow, the more data on the platforms, so it becomes a flywheel, and it ends up creating a virtuous cycle.

Let's talk about ZAP, which is built on the data engine, which is essentially our digital business, which is unlocking the power of data to create sharper targeting efficiencies across channels, and increasing our market share and wallet share in the digital business. So Finbud Digital now is reinforced under a new entity, which is called ZAP Private Limited, which is a wholly owned subsidiary of the parent entity. The data helped us unlock the digital business. Now the digital business has been set up as a separate entity, and one of the founders is now dedicating 100% of the time in building the digital franchise, which is myself. So I'm leading ZAP now, spending all my time in building ZAP.

In order of products, today, we have two products on the digital platform, which are personal loans and gold loans. Gold loans as a category was started only six months back, and I think I'm happy to sort of suggest that in six months of activation, we have actually disbursed over INR 500 crores of gold loans on the platform. So this is essentially proving our data thesis that we are able to use the data now to vote across multiple products. And the success is largely coming out of experiments that we have done on gold loans. Now gold loans has become one of our key drivers on the digital side. We'll be doubling down on the product in the coming years. This is a higher margin, faster scale business. Digital margins compound on the base that has already been built for and paid for essentially by the agent business.

As I mentioned earlier, the digital business is already at 3X of the agent business in terms of margin. We think at scale, it will be around five times the margin profile. We've also set up a new leadership team to drive the digital mandate of the company forward with me, myself leading it. We've got people who have expertise in the digital business to come and join us as part of the leadership team.

Arunabh has just joined us. He's an IIT Kharagpur graduate. He built the entire lending stack at SuperMoney, which is Flipkart foray into financial services. Prior to that, he spent time with the P&G, Flipkart, and Polar Electric as part of the leadership team. Sudhanshu has come on board and is leading the technology and the engineering initiatives in the company. He's an ITT Kanpur graduate. Prior to that, he used to be the CTO of AutoNinja, which was sold to ICICI Lombard. He also co-founded a tech startup called Settling Well, where he was sort of leading all technology initiatives there.

I think just as a perspective of what the market looks like today. So cumulatively, last financial year, there was INR 11.5 lakh crores of personal loans that got disbursed in India. Roughly around 35% of that, which was around INR 4 lakh crores, got originated digitally. Incidentally, out of the INR 4 lakh crores that got disbursed in the market, around INR 1 lakh crores is actually already sitting on our data lake, right. So in terms of the coverage that the Finbud data today represents, it represents roughly around a fourth of the entire digital market.

Today, our market share is only 1% of that INR 1 lakh crores. So last year, on the digital platform, we disbursed INR 1,182 crores. So roughly around a percent is our market share. Our wallet share in terms of the loans that came into the funnel and we were able to monetize was around 9.5%, 9.6%. So that essentially tells us that there's room to grow both on the market share as well as the wallet share, which is essentially the compounding strategy for the digital business going forward.

There are four levers to the digital business: market share, wallet share, new categories, and the overall macro pie that we are seeing move towards digital. Our current market share, which is around 1%, we think that in the next four years, we could grow the market share to around 2.4%. And, largely, that will be driven through adding better propensity models, adding better life cycle CRM technology, adding more lenders to the platform.

Our market share today on very small loans, which is the INR 0 to 1 lakh category, is low. So I think we are also looking at increasing our market share there by adding more lender partnerships. And I think this financial year, we have taken a mandate to grow that pie. Wallet share, it's around 9.5%. We think that we it could easily go to 20% wallet share by FY30, largely being driven by lender coverage and retention.

Also, I think we've taken a mandate to increase the repeat of loans on the platform because digital loans essentially tend to be smaller ticket, smaller tenor loans. So the frequency of repeats is very high, and I think we are trying to capture that, which helps us in generating operating leverage in the business, expand margins in the coming years. New categories are things that we are excited about, which is essentially where our data flywheel can put into new markets and new segments. I think gold kind of proved the playbook. We did INR 500 crores of loan disbursals on gold loans in the six months of launch with the same base, the same data lake.

We have also added a few categories that are currently under observation: credit cards, mortgage, used car loans, bigger ticket personal loans, which are currently under observation. When we think that there is a digital inflection point that comes in that market, we would be moving very swiftly into those segments and try to replicate the success that you've seen on gold loans on the same platform. I think currently, our new category market share, which is essentially the gold loan market share, is only at 0.1% of the market. We think that we can easily move this market share to around 1%.

And, obviously, in terms of overall macro, I think the digital, personal loan market is growing at a rate faster than the overall market. Currently, as I have mentioned earlier, I think around 35% of the market is digital. According to trends and projections from even the credit bureaus, it is expected that by FY30, 50% of all market would essentially move digital, and we are best stated to kind of capitalize on that given a huge data lake that we're sitting on.

In addition to that, we have also looked at adding some adjacencies. So we launched a health and wellness product, which is embedded with our loans. I'm happy to report that within the first 12 months of launch, we have already moved to 4 crores of premium collection, and we have only sort of launched this product in a test category. And we are seeing that on the test categories, we are already at a 30%-plus attachment rates.

This is coming at zero incremental category to the organization. And we also started now adopting AI very aggressively, building agents both on technology operations and a lot of other data functions, essentially. So a lot of the execution going forward will become AI native. So I think just sort of reiterating the point about how the digital growth will come through, which is largely a function of market share growth, wallet share growth, new categories that we think that the data could put into early successes of things like health and wellness, which is now branded as ZAP Health, adding a new category that we are observing right now.

In addition to that, some of those macro trends in terms of digital PL growing faster in the overall market and largely the trend of users becoming more and more digitized. I think the combination of these four factors coming together, we are confident that the digital business by FY30 would grow from the current levels. So last year, the digital business came in at our revenue of INR 41 crores out of the INR 317 crores.

We think that by FY30, this would grow seven times of that. So we are projecting that by FY30, the digital business would be INR 300 crores in revenue. Current EBITDA, which was around INR 5.8 crores last year, we project that which is around 14%, 15% in FY26 terms, would go to around 25% by FY30 with some of the new categories and the wallet share market share story sort of playing out. So we think that the

EBITDA on the digital business stand alone would move to around INR 75 crores, which is a 13X growth in bottom line from an EBITDA -- from a digital business standpoint.

And the strategy is essentially a combination of growing market share from 1-2.5%, wallet share from 9.5-20%, new category with market share going up, and the overall digitization taking place in the industry, which would also help us lift the EBITDA margins from currently around 14-25% at scale. Now, the growth that we are talking about in the digital business signifies a significant CAGR growth, with revenue growing at over 60% CAGR for the next four years and margins growing at around 80-90% YoY, which will help ZAP becoming one of the leading players in online loan aggregation.

Now, incidentally, the interesting piece is that we are seeing that the market is converging, And I think Finbud has been following this strategy now for a fairly long period of time. So if you see, the distribution-first players like Andromeda, MyMoneyMantra are actually trying to move digital. Bajaj Markets as well is trying to move more and more digital. Whereas we are seeing that the digital players like Paisabazaar, Urban Money, they are actually trying to move by adding a physical layer and adding frequency.

Incidentally, Paisabazaar now is doing 40% of all their disburses through their agent program, which is called PB Connect. So I think we think that we've been on this sort of journey now longer than a majority of our competitors, and we have got all the relevant pieces already built out. In addition to both having a physical and a digital distribution, the fact that we also have a lending layer now on top of that via our NBFC EQUALL allows us to be a full-stack player and probably the only player in the market which is listed and which plays across offline distribution, digital origination, has a huge proprietary data lake, as well as having a play on the lending side.

So I think it creates a very sort of an interesting compounding story, which is not available today in the market. I think I will also sort of use the next few minutes to introduce our lending business, which is branded as EQUALL, which is a Finbud group company, which is lending against pre-selected and positively selected customers which are already inside the Finbud funnel.

And this creates a unique opportunity because today, if you look at how most NBFCs are set up, they have to go out and discover customers. Here, we are talking about unlocking customers which are already sitting inside the Finbud universe. Incidentally, we received the RBI approval in this financial year for Ajay Vikram Singh to be confirmed as the CEO, and now this is confirmed by the regulator. Loans are live, so we have now started disbursing loans, and we now have a track record of two to six months of disbursal.

I'll be getting into more details in terms of numbers, etc., in the coming minutes. We also have our first debt line that has been approved, first term loan that got approved. So not only are we in the process of raising equity in the NBFC, we have now started raising debt in the NBFC also. The first term loan was approved by Northern Arc and with a commitment of increasing the quantum in the coming months. So I think that's, again, a positive because if we have to build a successful NBFC business, largely leverage is what will create the same.

I think in terms of ambition, we think that by FY30, we want to do around INR 2,500 crores of AUM in the NBFC. So most NBFCs start essentially years in getting to a stage where they are able to do a positively selected this program. Our NBFC, that's the starting point, and that becomes a significant differentiator for EQUALL going forward. I think, incidentally, the important part is that a lot of the money that today, NBFC spend is essentially building distribution and data. Now that's an asset that EQUALL is starting from.

The fact that there's a five-crore customer base of invent available at EQUALL's disbursal, the fact that we have over 60 lakh applications that hit our platform annually, the fact that we have presence of over 19,000 PIN codes that we are able to service on the platform, the fact that we have behavioral as well as bureau data available on our five-crore customers becomes a very significant starting point and a moat for our lending business.

If you look at the operating model difference, how most lenders essentially get set up is that they first raise capital, then they buy traffic, and then they test their risk, and then they start of going about building the business. EQUALL starts with a unique advantage of having an own customer pool. It begins with selecting the risk that it wants to operate in and then start deploying capital. So the entire model is optimized for a better ROE as well as an ROI at scale.

I think one of the places that we draw inspiration from on the lending franchise is essentially AU Bank. If you think about how the genesis of AU Small Finance Bank, came into being, AU Small Finance Bank, maybe two decades back, used to be an auto loan distributor for HDFC Bank. Over a period of time, once they had built enough distribution, they migrated towards being an NBFC. And over a period of time, have become a full-fledged bank by adding multiple products, multiple categories, and a very, very large franchise. That's the kind of arc that EQUALL aspires to get to.

The fact that we have started with data and distribution, the fact that we already have a digital aggregation business, these are the starting points with which EQUALL is starting, and we would like to believe that in the coming years, we'll be able to replicate the successes of platforms which have started from being distribution-first and over a period of time evolved into a large financial institutions.

The access advantage that EQUALL has, which is essentially the fact that there is over 10,000 crores of disbursals, which are already available on the Finbud platform with INR 8,500 crores coming from the agent side, around INR 1,180-odd crores coming from the digital side, the access to 50 million-plus customers on the platform, the fact that we have a ability to pre-select and positively select risk, and most importantly, the fact that RBI approvals, etc., are in place are all sort of pointing towards a very successful venture on the lending side.

I think the lending thesis is essentially that EQUALL wants to build a mid-income life cycle lender, which is built on its own distribution. Over a period of five years, started with an unsecured product. Over a period of time, the intention is to own the entire life cycle of the consumer. So we'll be venturing into both unsecured and secured products.

We think that this is the middle-income segment suggest the best possible option of building a large credit franchise in India today, because the higher-end consumers are already getting service with banks and the larger NBFCs. Whereas a lot of the fintech’s today are playing in the very low-income segment, where, obviously, the inherent risk is very, very high. The fact that there is a play on the middle-income segment, which is the INR 4-10 lakh income category, that's the segment that Finbud NBFC has decided to play in.

And incidentally, 50% of the entire data lake that Finbud has today is representative of the segment that we are operating on. We've also decided that we would operate on a co-lending kind of a model from the first day onwards, and we've already deepened conversations with a few lenders and going live on the co-lending side. So we would also then be able to use capital very judiciously and efficiently to build a large AUM franchise.

Also, incidentally, we have built most of the tech and the risk engine completely in-house through our technology team, and that obviously takes away the external dependencies of vendors, and etc. So it's deep tech-led, data led, it's an end-to-end lending stack which has been built in-house. I think one of the very important factors that the NBFC has is that there is a proprietary risk model that we have built. And actually, it's been built on over seven lakh live customers that the NBFC has sort of shadow-underwritten using its model through the Finbud funnel, and we are actively measuring the performance of these seven lakh customers to continuously keep improving our models.

And we think that the fact that our starting point is essentially risk-first in an NBFC parlance would make it a very differentiated portfolio performance over a period time. The fact that we've also been able to build all the tech stack in-house within the first year of operations, the fact that we have an LOS, we have a BRE, we have a field app, a payments app, a collection app already built out before we go to market is essentially showing the differentiation that our NBFC is starting from.

Very quick word on the team, and I think, we've been able to put across a stellar team on the NBFC side led by Mr. Ajay Vikram Singh. Just a very quick background on Ajay. Prior to joining us at EQUALL, Ajay used to be the head of retail assets in India for HSBC. Before that, he built the entire lending business at Paytm, which was over a billion dollars, building the Paytm merchant business, building the credit card business under Paytm, building the consumer lending business at Paytm. So he built all the lending stack at Paytm before HSBC and before coming on board.

Incidentally, Ajay used to also lead both the consumer and the SME businesses at Clix Capital, which is the rebranded G Capital, which is promoted by Mr. Pramod Bhasin and Apollo Global. Prior to that, he spent 15 years with Citi bank across consumer lending credit cards, both in India as well as abroad. He's an MBA from IIM Calcutta with a stellar track record. So, he has joined us as the MD of the NBFC.

We've also put together a stellar team from both on technology, risk, and collections, which, again, are mostly IIT grads, NIT grads, people who have built engineering at firms like Navi, Zepto, some gentleman who's leading our sort of risk model with someone who used to be the principal data scientist at Credit Suisse before joining us. Prior to that, he spent 15-plus years with multiple financial institutions building risk models. He's a grad from IIT Madras. He is the one who's leading our risk business or our risk part of the business. We've also got a gentleman who's leading collections, who was a national head. Prior to this, worked at Paytm, worked at Standard Chartered, worked at Fullerton before joining us. So we already put together a stellar team to take the NBFC forward under the leadership of Ajay.

Incidentally, this entire appointment has also now been validated by RBI. So we have gone live. In the first 90 days of our operations, we have already looked at around 18,000-plus applications. We have approved around 2,500 loans. As of 1st of March 31, we have already disbursed around INR 6-odd crores. That number, as of today, has actually crossed closer to INR 9-odd crores. Average ticket size on the business is around INR 1.5 lakhs. The average tenure is around 13 months.

The on-book AUM as of 31st of March was already at INR 5.3 crores. These loans are essentially coming at 24-25% from a yield perspective, giving us 4-5% fees. And the early delinquency signals are extremely encouraging. Our 30 and 90 DPD numbers are in the range of around a 1%. And now, given the fact that these are 13-month tenure loans on an average, we already have a performance of close to four to five months on most of these loans.

So we are seeing very encouraging trends in terms of our models of being able to actively reselect the risk that we are sort of wanting to build. So I think FY26 was a landmark year because I think we crossed three thresholds as an organization simultaneously, and we believe that this will lead to a compounding effect, which will be nonlinear in the coming years.

The first being that the RBI approval for the NBFC came through in terms of Ajay’s appointment and we started operations. The digital business kind of reached its own inflection point with a dedicated founder leading it with a management team coming on board in terms of leadership with significant experience on technology, growth, digital marketing, etc.

We are also very confident that this business will grow at a very significant CAGR. So from around INR 40-odd crores of revenue this year, we think that it could go to INR 300-odd crores in the next four-odd years, roughly become 30% of contribution to the larger, Finbud ecosystem. And the fact that our data flywheel reach a critical mass. I think all these factors put together are thresholds that we crossed simultaneously, and hence, we'd want to believe that FY26 was the compounding year for Finbud.

And going forward, the compounding will be nonlinear in nature. I think what does it really mean cumulatively for the organization in the coming few years? So this is essentially the vision with which we would want to sort of leave the call with, which is essentially that by FY30, we believe that we would move to over INR 1,000-plus crores of revenue integrated on the loan aggregation business.

Incremental to that, we think that EQUALL would have reached close to INR 2,500 crores of AUM by then. So in terms of the sum of product strategy, which is essentially the strategy that we are sort of focusing, which is the distribution business into the digital business into the lending business, that narrative will completely play out by then, which will consolidate it, create a very significant large franchise, and where each part of the business would essentially be amplifying the next part of the business.

So we think at scale, we would have the ZAP business, which is our digital business, which will be around INR 300 crores, and with 25%-plus EBITDA margins, which essentially will be at digital aggregator multiples. We will have to order close to INR 2,500 crores of AUM on the NBFC, which is EQUALL, which would be at AUM multiples of other fintech, NBFCs fintech platforms. And our evergreen Finbud agent marketplace would continue to generate cash in the same proportion as it is generating today and would continue to become, maybe at scale, even 70% of the overall revenue of the loans, of the overall group.

So I think there is a large vision, which is essentially to become the number one player across all listed Indian fintech platforms and, to essentially be able to deliver a differentiated offering, which cuts across offline distribution, digital aggregation, lending, and then essentially a very large data pool, which can port into new lines of businesses and unlock adjacencies. I think that is something that we will be sort of pursuing as a strategy. And all of this is built on a very massive flywheel which has been created within the Finbud ecosystem, and that will continue to sort of grow.

So I think we are on our way to creating India's integrated retail credit powerhouse, and we would like to leave everybody on the call with that message that this is multiple businesses under one platform, under one engine, and there's a loop that is connecting all these businesses. So there could be various competitors who could build part of the franchise and part of these businesses, but it is impossible to create a loop with which these businesses are connected. And that loop essentially is one that creates a compounding effect in the business. So I think that's a large message that we would want to leave the analyst call with. So, yeah, that's pretty much from the management.

Now, we are happy to take questions that any of you may have. So, thank you.

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on a telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing, * and 1 again.

The first question comes from the line of Chirayu Singhnia from Aarth AIF. Please go ahead.

Chirayu Singhnia

So first of all, good afternoon, and congratulations for the approval for NBFC. So my very first question is that we have found a downfall in EBITDA and PAT margin this year. So do we have some specific reason for this downfall?

And my second question would be that we have in the current year, we have mentioned that we have been split of 86% and 14% in terms of agent and digital. So what would be our future mix in terms of the loan disbursement? And what can be the expected revenue growth in the top line that we can expect due to the addition in the NBFC as our core business

Parth Pande

Can you repeat your first question? We got the second and the third question. We were not able to get your first question very clearly.

Chirayu Singhania

Okay. So my first question is that we have seen a downfall in the EBITDA and PAT margin during this year. So, is that any specific reason which caused a fall in the margin percent?

Parth Pande

I think the margin the one that you're referring to is very, very marginal. Because if you look at the EBITDA margins for last year, it was around 6.6%. And this year, the EBITDA margin is 6.3%. So it's pretty much on the same range, right. Also, the fact that we have been sort of investing in a lot of, you know, the fact that we're trying to grow the digital business is also something which is taking a lot of investment from our side. So it's pretty much in the same range. It's very, very marginal, the number that we're talking about.

In terms of your second question, which is in terms of the mix, right? So, I think we have indicated that by FY30, the mix would move to 70-30 between agent and digital. I think, which is currently at around 86-14 or 85-14, right. And if you look at the overall CAGR growth that we have spoken about, right, so we have spoken about digital growth business in the next four years growing at around a 60% CAGR, whereas the agent business, I think, as I mentioned, in my earlier, narrative has been compounding at around 50% YoY. So I think, you would see the mix move more quickly towards the digital business in the coming year. I think this year, we are expecting that this 86-14 mix would move upwards on the digital side at a much faster pace, which would also lead to expanding margins and growth in revenue.

In terms of your third question, which was the NBFC addition to the revenue, so I think, see, the NBFC is still at a very early stage, right. I think what is important for us in this financial year is to ensure that all the building blocks in the NBFC are put in place. At the end of the day, the NBFC business is a risk-first business, so we would always be taking a risk-first approach to building the NBFC business.

So I think in terms of revenue, it is I mean, so I can tell you in terms of AUM, I think we have now hit close to a INR 2-plus crore monthly disbursal number in the NBFC. And also, the fact that we are also independently raising capital in the NBFC because, essentially, we would only be able to scale the NBFC when we have significant capital available. So that's an ongoing activity that the NBFC is undertaking. We think that in the next three to four months, we will have a lot more clarity in terms of how much is our

NBFC starting point in terms of equity capital and then the leverage that we are able to create on top of that in terms of debt.

So we think that in the first 12 months, maybe from August to September onward, by which we expect to close the first round in the NBFC. 12 months hence from there, we should look at an AUM of around INR 100 crores. I think that is a realistic sort of an assumption to make, in the NBFC. But I think, we would only sort of grow and compound the NBFC when we are completely confident that our risk models are in place. So I think in terms of financials for next year, a significant portion, or rather most of the portion that you will see, will come from the loan aggregation business with a higher tilt towards the digital business.

Chirayu Singhania

Okay. Thank you so much.

Moderator

Thank you. Ladies and gentleman, if you have a question, please press * and 1 on a telephone keypad. The next question comes from the line of Samruddhi Shinde from PhillipCapital. Please go ahead.

Samruddhi Shinde

Hello, sir. Good evening. I have two questions. First is -- could you hear me?

Parth Pande

Yes. Please go ahead, ma'am

Samruddhi Shinde

Okay. So first question was, what valuations did you raise the money in your NBFC? And the second question was, what is the holding in that subsidy?

Parth Pande

Ma'am, you'll have to repeat your question. I'm sorry. It was not very clear.

Samruddhi Shinde

So the first question was, what valuation did you raise money in your NBFC? And the second question was, what is the holding in that subsidy?

Parth Pande

So, in NBFC, we have still not raised the equity capital. As far just said, we were first of all waiting for RBI's approval for appointment of Ajay as the CEO over there. So that approval has just come. We had to give a 30-day public notice post that. So that process has just ended. Now the NBFC is already in the market, speaking to investors. As soon as we get some idea on the valuation and once the necessary approvals are received, we will definitely announce it. But currently, we are still in the process of engaging with the potential investors. And regarding -- sorry?

Samruddhi Shinde

Yeah. Go ahead.

Parth Pande

Yeah, and ZAP is a 100% subsidiary.

Samruddhi Shinde

Okay. Thank you.

Moderator

Thank you. We have the next question from the line of Rahul Bangadia from Lucky Investment Managers. Please go ahead.

Rahul Bangadia

Good afternoon, sir. Thank you for taking my question. First one is the second half, the yield seems to have come up a bit -- I'm sorry if this question has been asked before -- but if you could just explain, the yield seems to have come off in the second half compared to the first half by about, let's say, 10, 15 basis points. The guidance generally is to go up by 5, 10 basis points per annum. If you could throw some light there, please.

Parth Pande

I think, Rahul, in the second half of the year, a lot more focus has been put on the investing in the digital business, right. So I think in terms of all the people that we put across, I was talking about the leadership team that, etc., that we have also hired, right. So a lot more investment in the digital business has actually happened in the second half of the year. So that's why there's a marginal difference in the ease that you are talking about.

But if you look at a consolidated sort of a play, right, we are pretty much in line with the guidance that we had given at the beginning of the year and even during, you know, post listing as well as in the first call that we had. And I think in the coming year, right, we think that now that some of those very marginal investments that we have made have also sort of started giving positive yields, right, we would see the expansion in margins in the digital business. And in that effect, the expansion of margin in the overall business sort of start taking into effect in this financial year.

Rahul Bangadia

Okay. So my question was more on the top line side, but I'll kind of take that up even later. The other question was your other expenses have shot up quite a bit in the second half this year. Is that towards the new investments that you're seeing that you talked about before? And what do we expect in terms of run rate there? Because that has kind of taken away the margins a bit.

Parth Pande

So Rahul, these other expenses are in line with -- these other expenses are basically in line with the overall business expansion. And you're saying that the slight compression in the margin was possibly because of some investments which had gone in the digital business and a couple of basis points of margin contraction on the agent side. So I think in the first half on the agent business, we were closer to probably 5% on margin, which has kind of gone down -- it was actually 4.8, I think, in the first half, which has slightly gone down to 4.5. But these are some temporary shifts which keep happening in the agency business, but the margins are more or less in this guidance range.

Rahul Bangadia

Right. And, Parth, while you have given a longer term guidance on what you aspire to be by FY30, is there something that you can share on what to expect in FY27 in terms of growth and margin?

Parth Pande

So I think, Rahul, in terms of FY27, we are targeting close to INR 425 crores of revenue, which is up from the INR 318 crores that we have done, FY26. We think that the split of this INR 425 crores would essentially be INR 75 crores of revenue coming from the digital side, and INR 350 crores of revenue coming from the agent side, so I think the digital business would move from around INR 41 crores of turnover last year to around 75%. So that's a INR 75 crores, sorry, which will represent a very significant growth in terms of the top line growth.

In terms of margins, I think we are expecting that the PAT should come in between INR 18 to 20 crores in the coming year. EBITDA would be in the range of maybe INR 28 to 30 crores. So, I think revenue growth of -- maybe at a consolidated level, our revenue growth of around 35-odd percent with the digital business growing north of 60% YoY, and the PAT growing in going up by 55-60%. I think that's the projection with which we can leave you with only FY27.

Incidentally, we are also seeing very significant growth numbers, what we're seeing in April and May as well. I think the digital business growing very, very quickly in April and May. So we are confident. And generally, in financial services, Q1 tends to be a little sort of slow compared to what we see in the second half of the year. So I think we are confident that, that kind of a INR 425 crores of top line, maybe INR 18 to 20 crores of PAT, INR 28 to 30 crores of EBITDA. I think that's what we are able to sort of look at this point of time, along with all the growth that we'll see on the NBFC side.

Rahul Bangadia

Right. And just one final question. Out of the IPO proceeds, we had raised some money for the working capital needs to grow this business exactly on the direct agency side. That has kind of already been implemented and put in place for you to achieve this 35, 40% kind of growth number?

Parth Pande

No. A significant portion, Rahul, of the IPO capital is still unutilized. If you remember, at the time of our roadshows for the IPO, we had said that we would be on track to achieve roughly around INR 300-odd crores of top line is what we had indicated at that time. Whereas we have come slightly higher than that. So significant part, almost close to INR 60-odd crore is still unutilized. We are very, very judicious, and hence, we are confident that from a capital point of view, to achieve all the projections that we have said, we are sufficiently capitalized.

Rahul Bangadia

Great. Thank you, Parth. Thank you for answering those questions. Thank you very much.

Moderator

Thank you. Ladies and gentleman, if you have a question, please press * and 1 on your telephone keypad. The next question comes from the line of Sriganesh from Shubh Capital. Please go ahead.

Sriganesh Burugucherla

Yes. Good afternoon, sir. Thanks for the opportunity, and congratulations for the good result. I have just a couple of questions. The one is, you mentioned a borrower intelligence graph with 4.5 crore plus customers. How is this data being monetized today vis-à-vis, what is planned?

Parth Pande

So, sure, honestly speaking, the entire digital business is built on this data lake, right? I think that is, again, a differentiation that we have in terms of, how some of the other platforms are built where they spend significant amount of money on platforms like Meta and Google to acquire new customers, we essentially follow a retargeting model, right? Because this data is kind of already sitting on our lake, we are able to build propensity models to predict what kind of consumers would be availing, what kind of credit products.

And then we use digital marketing channels to essentially reach out to those customers with very specific offerings. The entire pieces of the digital business or the ZAP business that we spoke about, essentially stems out of the data play, and that's a monetization essentially that we do on the data. In addition to that, some of the adjacencies that I spoke about, which is starting with a health product, which would, at some point of time, become our foray into a sort of an insurance space using health as a starting point, maybe getting into health insurance as a combination with the wellness product that we are offering, again, will stem out of our data lake and, again, will become a monetization place for the data that we have built.

The NBFC business incidentally is also built on the data lake, both from a risk standpoint, so which the data obviously helps us improve our credit models, accurately predict the risk on some of these borrowers because we are able to constantly monitor the performance of these users across multiple credit institutions that they are borrowing from. And wherever we see that there are certain set of borrowers which are stressed or not performing to the expectations that we may have, we can avoid those customers completely.

We can avoid those segments completely. It kind of gives us a firsthand view of assessing, how the risk is sort of stacking up on these users at our aggregate market level. In addition to that, the entire NBFC thesis is built on, again, accessing the data lake. I think the crux of our story, Ship, is built on the data and the monetization strategies that we are building on that. Our entire digital business, forays into other lines of businesses using data, and building the NBFC businesses are essentially monetization strategies for the data lake that we have built.

Sriganesh Burugucherla

Okay. Thank you. My second question is, what is the technology investment plan post IPO? And, how will it, I mean, translate into margin improvement?

Parth Pande

I think two, three things. I think I already kind of spoke about the kind of quality of people that we have onboarded. A lot of these people have actually come on board post our IPO. So Sudhanshu, the gentleman that I spoke about, graduate from IIT Kanpur over 15 plus years in building large systems. Arunabh, again, graduate from IIT Kharagpur, who's come on board, who built the entire lending business at SuperMoney. So, some of these large sorts of leadership roles have now been frightened by professionals who have extensive experience on the technology side. And the fact that we've also added multiple individuals in the technology team, which are taking the mandate forward.

I think on the NBFC side also, we have hired people, with extensive backgrounds from institutions like Navi, from Credit Suisse from Zepto. Very high-quality engineering talent is now within the ecosystem, which is essentially going to unlock some of the forays that we are talking about in the future, right. And I think I spoke about the leverage sort of kicking in on the digital business, right?

I think I was talking about the current EBITDA, which is around 14%, which are growing to around 25% by FY30. And a large part of that growth is essentially led by the technology leverage that gets created by building this in-house. The fact that we have been able to very successfully use the technology to put into new categories, I think gold loans are an example that I spoke about, which largely came out of the same funnel with the same technology stacks.

We are able to put into new products. I think, you would see, you know, the operating leverage kick in, which is largely only possible because it's a tech first business, and not necessarily a manpower first business.

Sriganesh Burugucherla

Great, sir. Thank you so much for you.

Parth Pande

Thank you. Good luck.

Moderator

Thank you. We have the next question from the line of Surya Kalagarla from PhillipCapital. Please go ahead. He has withdrawn his question, sir. Ladies and gentlemen, if have a question, please press * and 1 on a telephone keypad.

Next question comes from Ganesh NA from Dhanalakshmi Investments. Please go ahead.

Ganesh NA

Yeah, am I audible?

Parth Pande

Yes.

Moderator

Yes, you're audible, sir.

Ganesh NA

Thank you so much. My first question was with regards to EQUALL. What is the percentage holding of Finbud in EQUALL right now?

Parth Pande

So as of now, it is 100%, but Ajay will be owning a third of the NBFC. That is largely post -- now that the approvals have come through, we would be going ahead with allocating that to Ajay. To start with, it's a 100%, but I think going forward, it will be two-third, one-third. Two-third, will remain with Finbud. One-third, would go to Ajay and the management team. And post that, obviously, with the fundraise, there will be significant -- I mean, there will be further dilution that will take place for both Finbud as well as Ajay.

Ganesh NA

Yeah. I saw the exchange notification. According to that, I think, I don't remember the exact number, but you had fixed a portion for the fund required for one-third as per the notification, right?

Parth Pande

Yeah

Ganesh NA

According to that, what is the capitalization coming out to be? I don't remember the exact number.

Parth Pande

See, the capitalization for Ajay's infusion is done at roughly at book value, which is INR 2.5-odd crores is the capital that INR 2.6-odd crores. That is the capital that we'll be bringing into the company.

Ganesh NA

Okay. Do we have any –

Parth Pande

But that is primarily to ensure that there is complete buy in the overall vision and story of EQUALL and to ensure that he has sufficient skin in the game.

Ganesh NA

Sure. Totally makes sense. Do we have any idea or any idea on how much we are willing to pare down our stake, we meaning Finbud, in the final fund raise? Part of the IPO is go into insuring capital also, right?

Parth Pande

Yeah. That's right. We are committed as part of our IPO proceeds INR 15 crores would be allocated to the NBFC. Our share would be INR 15-odd crores. We are obviously talking to a bunch of other investors to, you know, top up the capital that Finbud would be contributing, right. So, I think, while it's difficult for me to, give you an exact number in terms of what, that would be the construct of the first round at end of at EQUALL. But, given the fact that it's an NBFC business, we would want, along with Finbud, other investors being significant contributors to, the fee drum It is difficult to give you an exact number, but I think we can as soon.

Parag Agarwal

As we have some foresight or sight into the overall fund raise, we will be able to announce what our balance shareholding out there would be.

Ganesh NA

Sure.

Parth Pande

And I think, one more point I would want to add here is that, the fact that we've already got our first term sheet on the debt side without necessarily having gone through the entire equity fund raise also validates the confidence that debt investors have in terms of the credit model and the team that we have assembled. Because at the end of the day, while the equity infusion in the NBFC is important, the ability to raise debt is equally important. And generally, you would have seen that a lot of the other fintech NBFCs tend to lend majority of the capital out of the equity that they raise, and the debt sort of starts coming in much later. I think we have taken a very conscious call of going out and start talking to debt investors, at the outset itself.

And the fact that we've got our first term sheet and first infusion of debt already, I think just gives us a lot more credibility and confidence as we go ahead. And the commitments from the tech investor also is that they would top up the debt quantum that they have currently allocated. I think that is something that I can sort of incrementally add. But, yeah, in terms of the equity round, etc., and overall dilution, I think maybe in a few months, we'll be able to show more light on that.

Ganesh NA

Sure. The second question, I had was with the data lake. This data lake and all the data inside is owned by Finbud right now or with ZAP?

Parth Pande

Yeah. It is owned by Finbud because, essentially, the genesis of the data comes from, Finbud I mean, from the overall ecosystem of Finbud. ZAP is a 100% subsidiary, right?

Ganesh NA

Okay. The purpose of asking this question was with respect to alignment with this DPDP Act. So does the act allow us to, seamlessly transform or transfer data from one company to the other?

Parth Pande

Basically, the data doesn't flow. What flows is essentially the signals that has been built, right. So, I think the way the DPDP is also structured is that we are not moving PII data between institutions. What is essentially moving are the models, etc., that we have built and the ability to what Finbud essentially provides that is the ability to, run their models and essentially build propensity as well as sort of targeting models, right. I think that is where the leverage of data comes into being. The PII data, obviously, is completely in alignment with the DPDP rules.

Ganesh NA

Okay. What I remember, DPDP also mandatory, erasure of data. Does that not go against what we are planning to do? Is what my overarching data?

Parth Pande

No, basically what essentially DPDP says is that a customer can revoke consent, right?

Ganesh NA

Okay.

Parth Pande

We also carry out a bunch of campaigns, etc., where we actively ask users who do not want to be part of the data lake going forward to revoke consent. But, it's not that the data gets erased, right? Essentially, the consent can get erased, but that is explicitly the customer expresses a desire to do so, which is voluntarily with the customer. The customer today can come on to our platform, revoke his consent if he so wishes, and then we would be, liable to raise the data. But it's not that the data gets erased by mandate.

Ganesh NA

Okay. And from the previous reply that you gave, what I understand is only metadata flows from one place to other. So how are we able to target a particular customer? How are we able to, like, single out a particular customer for through ZAP?

Parth Pande

Basically, the data is encrypted, right. Today, there are seamless ways of in sort of migrating the data from, which are basically under, say, an SHA-256 format, which is the gold standard of encryption today. The data can seamlessly flow into the Google or the Meta business accounts of enterprises, right. That's how it works. There is no way that the customer data or the specific data of individuals flows. What the sort of the migration to the encryption platform allows us to do is essentially then target the users on specific marketing platforms like Google, Meta or some of the other sort of publishing platforms, right? Essentially, that's how it works.

It is an end-to-end encryption system, and there are groups available which move the encrypted data on your Ad Manager accounts. And once that ad campaign is completed, the data gets automatically erased from the Meta and the Google accounts.

Ganesh NA

Sure. And one more question regarding this was, how do we, like, decide? How does ZAP decide whether to go for lenders here onboarded or for EQUALL? Is there any arrangement with EQUALL to pay any commission for kind of targeting we are going to give?

Parth Pande

EQUALL becomes one of the lenders on the ZAP platform or the Finbud platform, right. There is no bias that ZAP or Finbud has in terms of any specific lender, that Finbud and ZAP essentially are completely lender neutral platforms. So, There is no bias per se there. Even if you look at the overall sort of the ambitions that we spoke about, right, even if I was to look at the FY30 sort of a number, which is a going forward number. The ambition at EQUALLS to be around INR 2, 500 crores of AUM. That is at AUM level.

By that time, for us to achieve a INR 1,000 crore revenue number, Finbud would be at around INR 30,000 crores of annual disbursements, if not more, right? In terms of contribution, even at scale, we are not anticipating EQUALL to become more than 7-8% of Finbud overall pie. And this is at a disbursal level, of course, EQUALL would also unlock a significant chunk of customers that comes on to the Finbud or the ZAP funnel, which does not get consummated. So just as a perspective, right, of the INR 10,000 crores of loans that we have disbursed last year, we have actually onboarded close to INR 40,000 crores of demand to get to those INR 10,000 crores, right.

I think there's a significant play which EQUALL also has in terms of the demand that today comes on to the Finbud funnel, but because of either inefficiencies at our end or certain lag of integrations with lenders, etc., there are leakages that happen. So that's essentially a funnel conversion strategy that EQUALL works on. EQUALL then gets the upside of working on the leftover funnel as well as being maybe at scale being 7-8% of the overall Finbud pie.

Ganesh NA

And the commissions would be on par with what the other lenders are getting or paying to you?

Parth Pande

That's right.

Ganesh NA

Okay. And my last question was with respect to the physical reach that we have. What is the target that we have for agent business? Number of agents and what is the outlook going ahead? Will we be putting enough efforts or more efforts to the spy of the overall business? What is the physical agent coverage? I mean, out of the total, suppose, 100%, how much would you say, is covered by Finbud currently?

Parth Pande

I think the answer to your first part of your question is a definite, yes. You know, look at the growth that we are projecting on the agent side as well. Currently, INR 270-odd crores of revenue, we are talking about it going to INR 700 crores of revenue by FY30. The next four years, we are talking about roughly 3X in the revenue on the agent side as well, so which reflects a significant growth coming in from the agent side.

In terms of coverage, see, the market of the agent business is very, very large. Just to give you a case in point, right. I'll use HDFC as an analogy here, which is the largest player on the unsecured loan side, right. So HDFC today roughly does around INR 10,000-plus crores of loans every month, right. And roughly a third of that, if not 40%, is actually originated via the agent channel.

Between INR 3,500-4,000 crores of monthly disbursals happen only on HDFC Bank through the agent network, right. Today, our disbursals with HDFC Bank is to the tune of INR 150-odd crores. If I was to take HDFC as one lender as a case in point, of the overall agent business being around INR 4,000 crores, we are only at INR 150 crores. There's a significant opportunity for us to expand the agent pie without having to, -- you know, and this is just with HDFC, right?

Now, imagine if I was to take the entire gamut of all the lenders that operate, there's a significant opportunity for us to grow the agent pie also. I think, we are talking about growing the agent business, but we are talking about maybe growing the digital business at a faster rate. But in terms of CAGR growth, even if you look at it, we think that the agent business would continue to compound at 30% plus CAGR over the next four years as well.

Ganesh NA

Okay, my final question was with respect to EQUALL. So just wanted to know, what is the target ROA we have in mind while disbursing any loan for EQUALL? And what is the rate at which we have borrowed from, say, Northern Arc, this INR 2 crore loan? What was the rate at before which we borrowed?

Parth Pande

Honestly speaking the first part of your question, I think it's very early stage for me to really comment you know, ROA, scale, and etc., that we can achieve. But I can just give you know -- because it's very, very early, right? It's we just lent out close to INR 7, 8 crores right now. I think it would be unfair for me to comment on the specific ROA numbers, etc. But I can broadly tell you that, the yield that we get on these loans, as I mentioned, is between 24-25%, in terms of interest rate we charge around 4-5% fee. Typical debt cost for these markets to start with -- let us just check on the debt cost per se. Let us just go through what are the confidentiality terms of that.

Ganesh NA

No. But the ballpark figure would be good enough. You can just give us a range. I don't need the exact number. A ballpark figure would be good enough.

Parth Pande

I think between 13-14%. Between 13-15%, I think. That would be the starting point of that.

Ganesh NA

Sure. Thank you so much. My final request would be, I know that we are a SME company, but we would really appreciate if you can give any operational updates in the odd quarters, say, Q1 and Q3. Any operational updates would be great, if possible, just like this.

Parth Pande

No, sure, going forward, we will definitely try to incorporate it

Ganesh NA

Yeah, thank you so much.

Moderator

Thank you. The last question for the day comes from Nupur from Aarth Growth Fund. Please go ahead.

Nupur

Yeah, thanks for the opportunity, and congratulations on the results. I just have two questions. Firstly, so moving forward with our strategies already mentioned by you. Firstly, just want to understand that by monetizing our data, how much revenue are we expecting from cross selling financial products. Secondly, there was a slight decline in the EBITDA margin. Moving forward, what will be the margin expansion drivers for our business?

Parth Pande

I'll answer your second part of your question first. I think the margin driver for us is very clear, which is the growth of the digital business. I think even the CAGR growth that we have kind of predicted over the next 4 years talks about the digital business growing at a much, much faster rate compared to our overall sort of growth rate. I think that is the single largest driver of margin growth. Along with that, we are also seeing the expansion in the digital margins coming through, which is largely by unlocking new categories, because the new categories essentially that I spoke about, which was gold loans or, the health product that I spoke about come out of the same customer funnel, right.

As we are able to unlock new categories, we don't see our marketing costs go up in the same proportion, and hence, the margin expands in the digital business. I think that that would be the lever, which is overall growth of the digital business along with expansion of new categories on the digital business. And the fact that we'll be able to own repeats of loans where the wallet share essentially grows up. The combination of these three things put together is essentially what drives the margin profile above the digital business and in that effect, drives up the margin of the overall franchise.

In terms of the first part of your question, which was related to the sort of the future outlook, right. I think in terms of outlook, I think we've kind of mentioned the data piece becoming the center of our sort of growth strategy going forward. We are looking at the digital business, which came in at around INR 41 crores of revenue in FY26 to expand to around INR 300 crores of revenue by FY30, which is roughly around the 60% kind of CAGR over the next four years. We have also projected that, I think, in answer to one of the questions that was asked on the call, sort of an FY27 outlook on the digital business from INR 40-odd crores to around INR 75 crores, which is maybe over a 70% or 75% type of growth, right? I think there is significant growth possibilities that are there in the overall piece.

I think one point I think I would like to add here, and I think which was again sort of answered by Parag earlier, is that a significant part of our IPO proceeds today still is unutilized, right. We would now be sort of using some of those capitals to essentially grow the pie. I think, the listing only happened while, sort of given a lot of details on the business. The listing only actually happened on November.

These are funds who have been available to use for the last four months, and we've used the last four months to put a lot of structure together in terms of ZAP as an entity, in terms of leadership on ZAP, some of the structures that I spoke about on the digital business, the hiring on the NBFC side, the approvals from RBI in terms of Ajay's appointment, some of the tech and the sort of the operating stack at the NBFC level.

Lot of the work has actually happened in the last six months of the year. So that's also probably one of the reasons why you are seeing a very marginal sort of EBITDA decline, from 6.6-6.3%. But I think, that's mostly from the investments that we have made in the probably the last five, six months. Our results of most of that will be apparent in FY27 and definitely will increase the operating leverage in the overall organization maybe by FY30.

Nupur

Okay, moving forward, like, how much market share are we expecting for Finbud, say, next three years or four years? What's our target market share?

Parag Agarwal

As we had highlighted for the digital business, we are currently at 1% market share, which we are expecting that to go up to 2.5%. Obviously, that comes at a much higher CAGR growth rate compared to the non-digital business. So, yeah, I would say around 2.5% for the digital business and probably roughly at around 1.75-2% is what the number would work out for the offline business.

Nupur

Okay. Understood.

Parag Agarwal

Which goes on to show that there is a huge market scope growth opportunity still available for the group.

Nupur

Understood. So that was from my side. Good luck to the management. Thank you.

Parth Pande

Thank you.

Moderator

Thank you. There are no further questions. Now, I hand over the floor to Mr. Parth Pande for closing comments.

Parth Pande

Thank you. I think, we would want to take this opportunity to thank everybody who's participated on the call, everybody who’s sort of joined the call. We are very glad to sort of have people participate, ask the questions clarify all their doubts, etc. I think I would just sort of leave that group with my last parting thoughts, which is essentially that, we are building a very differentiated model, something that a majority of the organizations in our space are not doing, which is an integrated play and an interconnected play.

And I think the fact that we have been able to successfully demonstrate success on offline loan aggregation, build a very significantly and quickly scaling digital franchise, and now have forayed into lending with a very high-quality management. Essentially, talks about our ability to kind of straddle different parts of the business and sort of do that successfully. At the same point of time, ensuring that each part of the business sort of amplifying the next.

I think that kind of an integrated story is something which is uniquely different and allows us the ability to kind of scale this organization going forward. Because each line of business will continue to grow. Some parts of the business will obviously grow faster than others.

And we are in a very large market, as Parag mentioned, the fact that we are just at 1% market share on the digital side just talks about the quantum of growth that is possible in this organization, in this industry, and the fact that we've now added a lending layer on top of that, and the opportunity there is, again, very, very massive.

And all of this is getting unlocked, through proprietary data, though distribution stack, which has been built over the last decade plus, gives a very differentiated story, I think, will allow us to build a very large franchise. We are in the process of building hopefully, India's one of largest sort of integrated financial play. I think, I would sort of just leave the entire group with those last comments and sort of take the opportunity to thank everybody who joined the call. We look forward to hopefully hearing from a lot of you in the coming time as well. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha’s conference call service. You may disconnect your lines now. Thank you and have a pleasant day.

Note: 1. This document has been edited to improve readability

2. Blanks in this transcript represent inaudible or incomprehensible words.