30th October 2026

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: FIVESTAR

BSE Limited
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai 400 001
Scrip code: 543663, 974905,975246,975598

Sub: Transcript of the Earnings Conference Call for the quarter and half year ended September 30, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call held on October 26, 2026.

The transcript can also be accessed from the link: https://fivestargroup.in/investors/

Kindly take the above on record.

For Five-Star Business Finance Limited

Vigneshkumar S M
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Date: 2026.10.30 10:46:24 +05'30'

Vigneshkumar SM
Company Secretary & Compliance Officer

"Five-Star Business Finance Limited

Q2 FY27 Earnings Conference Call"

October 26, 2026

MANAGEMENT: **MR. LAKSHMIPATHY DEENADAYALAN – CHAIRMAN AND MANAGING DIRECTOR, FIVE-STAR BUSINESS FINANCE LIMITED**
MR. SRIKANTH GOPALAKRISHNAN – JOINT MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER, FIVE-STAR BUSINESS FINANCE LIMITED
MR. PRASHANTH SREENIVASAN– CHIEF OF TREASURY AND INVESTOR RELATIONS, FIVE-STAR BUSINESS FINANCE LIMITED

MODERATOR: **MR. RAGHAV – AMBIT CAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Five-Star Business Finance 2QFY27 Earnings Conference Call hosted by Ambit Capital Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*', then '0' on your touchtone phone. Please note, this conference is being recorded.

I now hand the conference over to Mr. Raghav. Thank you and over to you, sir.

Raghav: Good evening, everyone. On behalf of Ambit Capital, I would like to welcome you all to the 2QFY27 Earnings Call for Five-Star Business Finance.

Joining us from the management today, we have Mr. Lakshmipathy Deenadayalan - Chairman and Managing Director; Mr. Srikanth Gopalakrishnan - Joint Managing Director and CFO, and Mr. Prashanth Sreenivasan - Chief of Treasury and Investor Relations.

I would like to first thank the management for giving us this opportunity to host the earnings call. We can now begin with the opening remarks from Mr. Lakshmipathy, post which we can open the floor for questions. Thank you and over to you, sir.

Lakshmipathy Deenadayalan: Thank you, Raghav. Good evening, everyone.

I am extremely happy to present to you all the details about another quarter of strong performance of Five-Star Business Finance.

The quarter ended September 30, 2026, saw Five-Star delivering very strong numbers across various parameters. Our upward trajectory in disbursements continued during the current quarter as well, where we recorded our historical best disbursement of Rs. 2,078 crores, up 39% over previous quarter and 74% year-on-year. The loan book also saw robust growth with our AUM at Rs. 14,640 crores, a growth of over 6.7% over the previous quarter and 14% year-on-year. Importantly, this growth has come alongside improving collections and stable asset quality and profitability.

Collections continue to trend very well with our unique customer collection efficiency improving to 98.2% in the current quarter from 97.7% in Q1, along with improvement in X-bucket collections to 99.4% from 99.2% in Q1, which has helped contain forward flows. As a result, the current bucket proportion of our AUM rose sharply from 83.3% to 84.78% and 30 plus DPD came down from 12.38% to 11.5%. With our clear focus on containing flows from early buckets, I am very confident that we will continue to see our portfolio quality improving in coming quarters.

Slippages eased marginally to 0.68% from 0.70% in Q1 and Gross Stage-3 assets were broadly stable at 3.48%, despite macroeconomic headwinds being witnessed across the industry. The credit cost improved to 1.80% of average AUM from 1.85% in Q1. We expect flattish credit slippages and credit cost for the rest of the year, despite the industry headwinds. Let me repeat, we expect flattish credit slippages and credit cost for the rest of the year, despite the industry headwinds. With our collection framework getting better than expected results, we continue to focus on bringing back the growth momentum Five-Star is known for. With strong collections, controlled slippages and credit cost, we are well poised to continue our strong traction in disbursements in coming quarters, which will help us cross our growth guidance for this year very comfortably.

We availed incremental debt of Rs. 825 crores during the quarter at an all-inclusive cost of 8.43% and our cost of funds on book eased marginally to 8.78% from 8.80% in Q1. Net interest margin remained broadly stable at 19.87% as against 19.97% in Q1, and was 16 bps higher year-on-year, showing that our spreads have held up despite the drop in yields. With the tightening rate cycle, we expect to see some inch-up in our cost of funds, both on incremental debt and on our book, which would have some impact on spread and NIM. However, we expect to cushion this impact through yield increases on our incremental disbursements, which has been made effective from October 2026. Further, through the operating leverage that we will be able to achieve going forward, resulting from increased productivity, higher growth, tighter control over operational and credit cost, we are confident of largely offsetting the hawkish stance of RBI expected for the next few quarters.

On the profitability side, we clocked a PAT of Rs. 299 crores for the quarter, up 10% sequentially and 5% year-on-year. This includes a one-time tax benefit of Rs. 19 crores pertaining to previous years. Even excluding this, our PAT was 3% higher on a sequential basis. We have seen improvements to return ratios compared to the previous quarter. ROA was up 28 bps to 8.39%, and ROE up 79 bps to 15.25%. For the first half of this year, we have clocked a PAT of Rs. 571 crores, up 3% year-on-year.

After a year beset with challenges across multiple fronts, we have bounced back stronger than before. Some of these numbers across disbursements and collections are our historical best and clearly validate the actions we have taken over the last few quarters. They have also strengthened our confidence that we are moving in the right direction of onwards and upwards.

Let me hand it over to Srikanth for further details.

Srikanth Gopalakrishnan: Thank you, sir. A very good evening to all of you.

As Mr. Pathy highlighted, this has been our best quarter over the last couple of years, after the last couple of years being beset with multiple challenges facing the company as well as the industry, with all the metrics stacking up very well across various parameters. Alongside our

focus on increasing ticket size, we have also been growing our customer base, with the active loans standing at about 5.1 lakhs, representing a growth of 5% over the previous year.

During this quarter, we added 19 branches, and over the last one year we have added 75 branches, the clear thought being focusing on deepening our presence in our core geographies and also putting up additional branches in those states, where we have been operating for a while and developed good comfort across various aspects. Disbursements for the quarter grew by 74% Y-o-Y, and AUM growth was at 14% year-on-year. We ended September 30th with an AUM of Rs. 14,640 crores.

Yields were marginally down at 22.26%, with the average cost of funds being marginally better. The NIM stood at 19.87%, better than a year ago, while the cost-to-income, inclusive of credit costs, remains slightly elevated at 47%, a little over 47%. We are also confident that through the operating leverage that we will be able to achieve in the coming years, we should be able to bring this down in the coming quarters and coming years. The return on average assets stands at 8.39%, up 28 bps sequentially and ROE at 15.25%, which is also higher sequentially. Our proportion of borrowing from banks stood at about 69%, as against 67% in the previous quarter. Despite tightening interest rate scenario, we managed to avail incremental debt of about Rs. 825 crores at an all-in cost of 8.43%, which is quite attractive.

Our liquidity as on September 30th stood at about close to Rs. 1,300 crores and we also have unavailed sanctions of about Rs. 1,100 crores, which is more than sufficient for us to take care of our requirements over the next quarter. As was stated in the opening remarks by Mr. Pathy, we should expect some compression in spreads given the tightening interest rate cycle, but the increase in yields on incremental lending should help cushion this.

On the DPDs, we are very glad to inform all of you that our DPDs improved significantly, with 1+ dropping from 16.7% to 15.2%, and 30 plus dropping to 11.5% from 12.38%. Even in terms of absolute quantum, the overall Stage-2 assets dropped from about Rs. 1,225 crores as of September 30th, 2025 to Rs. 1,173 crores as of September 30th, 2026. Our PCR continues to be at around 40% on the Stage-3 assets and on overall AUM its about 1.73%. This was also a strong quarter from a profitability perspective. We clocked a PAT of Rs. 299 crores. Even without the one-timer, we are almost at about Rs. 281 crores, which is 3% higher sequentially. Our net worth stands at about Rs. 7,903 crores, a touching distance of Rs. 8,000 crores. The complete focus being that with the disbursement momentum back, the collections holding up extremely well, we are poised to cross our growth guidance for this year in a very comfortable way.

On that positive note, we will take a pause here and happy to invite any questions from any of you. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press * and 1 on their touch tone telephone. If you wish to remove yourself

from question queue, you may press * and 2. Participants are requested to use handset for asking the question. Ladies and Gentlemen, we will wait for a moment while question queue assembles.

The first question is from the line of Renish from the ICICI, please go ahead.

Renish: Yes, hi sir. Congrats on a good set of numbers. Sir, just two things, one on this entire, the broad rainfall deficit scenario, so from near-term perspective, how do you see the asset quality moving out? And also, is there any, let us say, the lead asset quality indicator, is it showing any sign of stress? Any thought, obviously, in opening remarks, you have already mentioned that there will be some maintaining or guidance in terms of second-half at flat slippage and flat credit cost. But do you foresee any risks to that at this point in time?

Srikanth Gopalakrishnan: Yes, Renish, I will go one by one. On the drought, we all know Five-Star operates in many states, but our key states are Tamil Nadu, Andhra and Telangana, which contributes more than 80% plus AUM. So, we don't see any kind of drought in these three states. In fact, this month and next month, we see good rains in Tamil Nadu and Andhra and some parts of Telangana, right? So we don't see any kind of drought like situation in these three states. And rest of the states like parts of North Karnataka, MP and MH, people are calling out, but to be open, as I say today, our collections are holding up in these three states as well. So comparing with September same date or generally we compare with the first month of every quarter, that is July, so if you compare with July 25th and September 25th with the October 25th, what day has gone, the collections are standing well. So as we speak today, I don't see any collections coming down or asset quality going up issues like things, as we stand today.

Renish: Got it. This is very helpful, sir. Sir, my second question is around this repayment rate trends, right? So last 6-7 quarters, we have seen a consistent increase in repayment rate. So how one should read the data point? Is this because of higher BT out or is there any sort of change in product feature, etc.?

Srikanth Gopalakrishnan: Renish, this was something that we called out last time as well. See, what we have done now is we have started to adjust the outstanding on the top-up loans subject to very strong filters from the disbursal of the new loan. So which means a lot of borrowers in the past, we were pushing them that they will have to first close their loan and then take a fresh loan from Five-Star, a top-up loan. So in that scenario, a lot of them would actually fall off because they won't be able to arrange for that quantums of money, which means we are going to a different institution and there they will be adjusting the outstanding. So we said subject to very strong filters that puts absolutely no questioning or no questions around restructuring ever greening. Today, we are adjusting the outstanding of that, which has pushed the repayment rates slightly up. So you should possibly bake in for about compared to what we were maybe a couple of quarters back, you should bake in for another 1%-2% extra repayments coming on account of this. Nothing much on the BT out and all that, it is more the internal top-up features that we have undertaken.

Renish: Got it. So because in that case, the behavioral tenure of new loans is actually less than 3 years then, if you go by this 36%-37% of the repayment rate, which is stark different from what we used to operate and hence this question is?

Srikanth Gopalakrishnan: Renish, the number will come down because this is also something that we have introduced over the last 3-4 quarters. At 36%-37%, it is on the higher side. The number will come down. See, earlier we used to guide the market that our behavioral tenure is somewhere around 4 years or 4 plus years. This number will be more closer to 4 years. I don't think it will be over 4 years in the revised scheme of things.

Renish: Got it. So there has been still at least 10% difference between current repayment rate and the behavioral tenure?

Srikanth Gopalakrishnan: Yes. It will come down a little bit. I think even in the last call, we alluded that we will be able to give you some better perspectives over the next couple of quarters once we see a little more stable numbers on the top-ups.

Renish: Got it. And just the last verification, sir, I think last call, we were about to highlight the new product line which we intend to enter. So do you want to give any more insights around it in this call?

Lakshmipathy Deenadayalan: We have same interest as what we said in last quarter. Maybe in next quarter, I will give you more details about it. And to the shareholders, we are very clear, we are inching towards the new product.

Renish: Got it. Ok, thank you and best of luck, sir.

Lakshmipathy Deenadayalan: Thank you.

Moderator: Thank you. Next question is from the line of Nischint from Kotak. Please go ahead.

Nischint: Yes. Thanks for taking my questions. First is, can you spell out how much rate hike have you done for your customers? I believe this is on a incremental basis, but just maybe put some numbers perspective?

Srikanth Gopalakrishnan: About 1% Nischint, across the various risk characteristics. So the number what was about 21%-23% or so, now we will get to about 22.5%-23.9% thereabouts. So, 1% is the incremental increase across the various types of customers and risk categories.

Nischint: So probably it means that the yield has really bottomed out this quarter and this will start inching up because anyway, your bottoming out ortrickling down was almost coming to end now?

Srikanth Gopalakrishnan: You are right.

Nischint: And in that case, could you sort of see a margin expansion will be in the second half of the year or you are probably not sort of doing that now?

Srikanth Gopalakrishnan: No, margin expansion is not possible, Nischint, because we are already seeing the effect of the repo rate increase on our existing borrowings, which are both external benchmark linked and MCLR linked. MCLR linked will come with a bit of a lag depending on the periodicity of the repricing window. Definitely, I don't think we will expect the margins to increase. They will certainly compress, but the incremental yields will cushion the compression impact to a good extent, so which means, otherwise, let us say, even a 25 basis points increase in repo rate would have possibly resulted in at least 20 basis points kind of an impact on our overall cost of funds. Now, the number might be more like a 10-15 basis points because the 1% will cushion the impact plus also, since the yield increase is only on incremental disbursements, it will also take time for this entire number to get built on the overall book.

Nischint: Yes, of course. And the 8.43 you mentioned was all-inclusive cost on a book basis?

Srikanth Gopalakrishnan: 8.43 is the all-inclusive cost on the incremental disbursements Nischint.

Nischint: So thats more or less similar to the book as of now?

Srikanth Gopalakrishnan: Yes. We always include. So, it is a combination of rate of interest and processing fee amortized over life of the liability.

Nischint: Sure. And finally, what proportion of your customers have gold loans?

Srikanth Gopalakrishnan: We will have at least 40%-50% of our customers with some kind of gold loans. Meaningful number will be more like a 30%-40% kind of overlap.

Nischint: Got it. And just one last thing is, given the fact that you still have a considerable exposure to Karnataka, what gives you the comfort or confidence that many costs are sort of going to settle from here on?

Srikanth Gopalakrishnan: So the fundamental reason is, Karnataka is definitely showing improvements in collections on a month-on-month basis. Our very strong belief is that whatever the worst there is in Karnataka, we have already seen that. And we are seeing collection trends definitely improving on a month-on-month basis. The NPA number also, the slippages are largely being contained, which has also given us the confidence to start dispersing in a little more pronounced manner in Karnataka. With all of these things, we are very confident that the worst is behind us. And from here onwards, we will definitely improve in a gradual manner in Karnataka.

Lakshmipathy Deenadayalan: So Nischint, what Srikanth spoke about, it is from the effect of the ordinance what Karnataka government brought in 18 months down the line. So from there, we have fully recovered and the collections are as usual in Karnataka and business is also picking up very well. If your question

is regarding the drought in Karnataka, as I said earlier, as we speak today, our collections in Karnataka is standing up well with comparing to July as well as with September.

Nischint: Got it. Thank you very much and all the best.

Lakshmipathy Deenadayalan: Thank you.

Moderator: Thank you. Next question is from the line of Viral Shah from IIFL Capital. Please go ahead.

Viral Shah: Hi. Thanks and first of all, congrats on good set of numbers. Sir, I have three questions. One is predominantly, I look at the Opex. Does this quarter have, say, or does it reflect the full impact of the collection infrastructure that you were building? So there has been some increase on that Opex and what could be the steady state run rate looking like? So that is my first question. Should I ask the others or one by one?

Lakshmipathy Deenadayalan: We will go one by one.

Srikanth Gopalakrishnan: Viral, you are right. The Opex has fully absorbed the impact of the collection infrastructure and both on the collection infrastructure and on the legal infrastructure, the cost has been fully baked in. So from here onwards, you will not see any increase in cost on account of collection or legal infra. But definitely, we will start seeing the benefit of operating leverage coming through. So while in absolute quantums, the cost will not go up, from percentage sense, you will start this dropping from the quarters to come.

Viral Shah: Got it. And Srikanth, if you can give some sense of how the asset quality trends and especially, say, the collection efficiency trends are trending in the first 25 days of October, would be great and probably, say, also give some regional or state-specific texture. Mr. Pathy mentioned about Karnataka now being better than July and September?

Srikanth Gopalakrishnan: So at the overall level, Viral, we are trending in line with both the July and September numbers, which were good months for us from a collection perspective. October is in line with that. So that leaves us with no cause of concern, anything, because if you compare with September, we still have one more day in October. And despite the fact that we lost a few days to holidays in October, the collection trend in October continues to be fairly robust. And largely across the states, we are not seeing any alarms in any of the states, while there could be a bit of discrepancies between various states. For example, generally, Tamil Nadu tends to be a lot better in collections compared to the other states, followed by Andhra and Telangana. And that trend holds, but there is no material difference or discrepancy between any of these states. So across the various geographies of the company, the collection efficiencies are holding up fairly well, in line with what we saw in Q2, in the months of July and September.

Viral Shah: Right. And Srikanth, if you can also mention the intensity of collections effort, how is it trending? Probably that can be a leading indicator of how the things are going in terms of interactions with customers, something, some sense on that?

Srikanth Gopalakrishnan: See, the way it works, Viral, is that the current book is largely managed by the business team and the in-house calling team that we have built, which is a mix of both manual as well as AI-led initiative. And there we are also seeing quite some improvement. In fact, if you see for the last quarter, our current bucket came in at about 99.4%, which I can say is historically the best number that we would have recorded. In this month, just to give you a metric, if you look at the first 15 days of the month compared with the 15 days collections in the current book in September, the number was about 1.5% higher. So the intensity on the current book is largely driven by in-house calling and the business team's involvement towards reaching the connect with the customers. The collection teams largely focus on the bucket between 1-90 days, where the intent is to hold them in their buckets by collecting one installment. And there is also a pronounced push towards rolling back these customers at least by collecting one more installment. So we are also seeing fairly strong rollback trends over the last quarter or so, given the focus of the company. The rollback is also coming in quite well. So across various buckets, where the collections team is involved in, we are seeing the numbers in line with our previous quarters. But the slippages from the 61 to 90-day bucket continues to be flattish. So given that these are also accounts that have gone to the collections team in the recent past, and they will need to sort of put some effort towards bringing these back, I think you will start seeing improvements maybe a quarter or two down the line. But the other buckets, definitely, we should start seeing impact. So Stage-1 should definitely go up. In Stage-2, you will see the 31-60 bucket getting better. The 61-90 and 90 plus are slightly sticky assets. But even there, over the next 1 or 2 quarters, you should start seeing some improvements coming through.

Viral Shah: Well, that is very helpful. And last, Srikanth, on the yield front, you did mention about the 100 bps rate hike, of course, it is incremental. There is also some bit of, I would say, also tilt towards the larger ticket size segment, right, in terms of the average ticket size. Is that something that will have, say, an offsetting impact on the rate hike that we are taking? Or it is largely at the similar yields that you are looking at?

Srikanth Gopalakrishnan: Largely at the similar yields, Viral. So across the various segments, which could be based on ticket size, the credit score of the borrower, whether he is PSL eligible or not, or various other risk parameters, the yields have gone up by 1%. So you largely see the 1% coming in, let us say, over the next 2-3 years, like how we saw the drop in 200 basis points come over a couple of years, this 1% also should reflect over the next couple of years.

Viral Shah: Got it. That is very helpful, Srikanth, and thanks a lot and all the very best.

Srikanth Gopalakrishnan: Thank you.

Moderator: Thank you. Next question is from the line of Abhijit from Motilal Oswal. Please go ahead.

Abhijit: Yes, good evening, everyone. Thank you for taking my question. Srikanth sir, what was the proportion of your customers who had MFI loan as of September?

Srikanth Gopalakrishnan: So Abhijit, we have not done a scrub analysis for this quarter. But behaviorally, what we can say is the number has not changed. It is about 35%-40%, which was the experience even in the past. So no material change is our belief.

Abhijit: Got it. The only reason I was asking is we have recovered from a stress asset quality cycle. The growth is back. Asset quality is stable. Slippages are stable. Given the kind of drought-like situation that we have seen in some of the states, while I agree, Pathy sir called out that in our core three states, Tamil Nadu, AP and Telangana, we are not seeing those kinds of conditions. But do you think, in case things were to deteriorate on the MFI side, you see some spillovers again?

Srikanth Gopalakrishnan: Abhijit, I think theissue that we saw in the last 12-18 months, but not just in terms of customer cash flows getting impacted; the cash flows were largely intact. It was more behavioral and the fact that the company's infrastructure was slightly stretched given the over-leverage issue that cropped up. Whereas today, from an infrastructure perspective, we are very well prepared. So even if the stress were to build out in the future, it is not that we don't have people to go and mitigate the stress. In the past, the same guy was responsible for both business and collections. So if there is a focus on one of this, the other one was suffering. Whereas now, the fact that the entire arrear book is being managed by the collections team, there is expertise that is getting built there. There is a strong focus, even if a stress were to get built up. And despite all of this, there won't be any issue from a business perspective. So given all of these factors, we believe that, again, touch wood, all of us are hopeful that the sector, MFI sector, is coming back, and we don't see any issues in the near future. But even if some issues were to crop up, I think we are far better prepared today to deal with the situation and ensure that the asset quality impact, on account of that, will be extremely minimal.

Abhijit: Got it, sir. That is useful. Then the second question I had is, in your liability, what proportion of your bank borrowings are linked to MCLR, repo rate and other EBLRs?

Srikanth Gopalakrishnan: See, roughly, the variable rate of our book is about 70%, Abhijit. Out of that, 25% will be MCLR-linked, and repo and T-Bill will be about 30%-35%, with SOFR and the other external benchmarks being another 15%-18%.

Abhijit: Got it. And lastly, given the kind of momentum that we are seeing now on the business side, and I am guessing that if asset quality is holding up in October, we might see continuation of these trends in the second half, which is a seasonally stronger second half of the fiscal year. And sir, you have already mentioned, I think, in your press release that we should comfortably be able to surpass our earlier guidance on growth. Do you think that now, we will shoot for a 25% kind of a AUM growth this year?

Lakshmipathy Deenadayalan: No comments on numbers. But as I said, we will be very comfortably crossing the guidance what we gave in the beginning of this year.

Srikanth Gopalakrishnan: So, Abhijit, we will possibly come out with some, if there is a need for revised guidance, maybe after Q3. But at this point of time, our commentary stands that we are well poised to comfortably cross our AUM guidance that we have given to you. What is the number going to be, I think kindly hold on for another quarter.

Abhijit: Sure, sir. That is all for my side. Wish you and your team the very best.

Moderator: Thank you. Next question is from the line of Aditya Miglani from Burman Capital. Please go ahead.

Aditya Miglani: Hi, Srikanth and team. Congrats on the very good results. Just wanted to check on one thing. Since you mentioned we may see some spread compression, and that is despite the rise in incremental yield by around a percent. Could you please indicate how we see the cost of borrowings trending from here? And also on probably a Q4 FY '27 exit basis, where can we see the spread landing?

Srikanth Gopalakrishnan: Our belief, Aditya, is that the incremental cost of borrowings will possibly go up by another 20-25 basis points for sure compared to this quarter. Because we will be taking some sizable incremental borrowings in the next quarters. And there are also, for example, the second tranche of ADB is still left and there the hedging cost is still on the higher side. So our incremental cost of borrowings, the second half will be more like 8.70% to 8.75%. And with the repo rate increases and the MCLR increases also hitting the book, our sense is we should be exiting FY '27 with maybe another 12-15 basis points of higher cost of funds on the book compared to where we are today. So, we are roughly at about 875 or thereabouts. We should possibly be ending the year with more around an 8.90% kind of a number.

Aditya Miglani: Got it. But would this not then be offset completely by the 1% incremental yields that we are planning on a book? It is only 12-15 basis points?

Srikanth Gopalakrishnan: No, Aditya. Our book is fixed. So, we will not be able to change the rate on the existing book. Fresh disbursements will come in at 1% higher yields. Now, for that to get absorbed on the book will take 8 quarters or so. So you will not see any meaningful impact of the yield increases on the yield for this year, but then it will gradually keep going up.

Aditya Miglani: Sure, understood. Thank you.

Moderator: Thank you. Next question is from the line of Punit from Dolat Capital. Please go ahead.

Punit: Sir, firstly, just from my understanding, you mentioned that the book duration is close to 4 years on an average and the current repayment rates are not to be taken. That will come down, basically. But from a yield assumption, the 100 bps yield- is it fair to assume that 25-25 bps each

year because you guided for 2 years? So, I am just not getting that much. Can we, ideally, it should be 25 bps each year, right, the pass-through, because the 4-year duration is there. So say 25% of book reprices each year?

Srikanth Gopalakrishnan: We are at about Rs. 15,000 crores of book. Our belief is the next couple of years, we will possibly disburse much more than this. So you will see a large part getting in the next 2 years. It is not like entire 100 basis points will come in the next 2 years. It will possibly take about 3 years or so, because the incremental disbursements will also be much larger than the proportion of the book that we are carrying. The book will run down, the incremental disbursements will come in. So a large part of the 1% will come in over the next about 24-36 months.

Punit: Got it. That is clear. Yes. Also, on the NPA, I know your Stage-2 has declined and Stage-2 plus Stage-3 is lower. Stage-3 has increased by 7%-8% odd on an absolute basis. I want to understand what are the reasons like, still we have customers going from Stage-2 to Stage-3? When can we start seeing the decline in these numbers? Is this transient I am seeing for a couple of quarters or something and then I come start seeing the decline from this base? Any comments on that?

Srikanth Gopalakrishnan: Punit, our commentary on this is that the next couple of quarters, you will see flattish slippages. And when we mean flattish slippages, obviously the growth will come in, but then the NPAs are slightly sticky. So it also takes time for us to recover on the NPAs. We can't roll them back; you have to effectively settle these accounts. So our sense is for this to start trending down, it is possibly a couple of quarters away. You will see some marginal gradual drop over the next couple of quarters, but some trend down, I think its possibly a couple of quarters away.

Punit: It is a couple of quarters away. Credit cost then despite this, even if it is a transient increase or something like that, it should not go higher than these levels is what your expectation would be?

Srikanth Gopalakrishnan: That is right.

Punit: Got it. And what would be the recovery this quarter from written-off accounts?

Srikanth Gopalakrishnan: See, written off accounts, we did about Rs. 13 crores, which is reflecting in the topline. Put together NPAs and written-off accounts, we were at about Rs. 35 odd crores for this quarter.

Punit: Got it. And 13 was around Rs. 9 Cr last quarter, right? If I am not wrong, or 8Cr, something like that?

Srikanth Gopalakrishnan: Yes, Rs. 8 Cr.

Punit: Got it. Thank you so much, sir. Thank you.

Moderator: Thank you. Next question is from the line of Shubhranshu from Phillip Capital. Please go ahead.

Shubhranshu: Hi, good evening. Thank you for the opportunity. The first question is, what proportion of the AUM and disbursements would be for debt aggregation purposes? Second is that what proportion of the disbursement is through top-up loans? And when we look at the top-up loan versus the original loan that was there, which run down, this top-up is what percentage of the outstanding loan amount when given? And yes, those are my questions, thanks.

Srikanth Gopalakrishnan: See, Shubhranshu, I think currently in the given product, you don't really see too much of debt aggregation because our ticket sizes are largely around 4 to 5 lakhs. Now, when you are looking at a much bigger ticket size, then debt aggregation is possible because these are people who will have a few other loans, like from an MFI or a gold loan or maybe a two-wheeler or a vehicle loan. So I would say the debt aggregation part of it will be extremely minimal. So it is not like we are taking over most of the loans. Ours is more towards the takeover of secured loans primarily from unorganized institutions. So it is not a debt aggregation product, it is like a product that is given for them to get into the formal financial ecosystem for a secured loan so that they are able to amortize this loan over a 7-year period and become debt free at least on the mortgage that they carry. On the top-up part of it, today I will probably say this number is somewhere around 10%-15% of the overall disbursements. So if you have done about Rs. 2,000 crores in the last quarter, possibly the top-up number will be somewhere around Rs. 200-Rs. 300 crores out of this. And roughly, the incremental disbursal on these top-up loans will be anywhere around 50%. So whatever is outstanding, let us say, if it is about 3 lakhs, the customer generally gets about 6 lakhs or so, out of which 3 lakhs he prepays and 3 lakhs is the incremental cash flow that he gets.

Shubhranshu: Can I squeeze in one last question?

Srikanth Gopalakrishnan: Yes.

Shubhranshu: Right. So now PSU banks are allowed Mudra loans up to 20 lakhs, which is basically an unsecured loan. So how does that figure out in our scheme of competition?

Srikanth Gopalakrishnan: Shubhranshu, this has been in existence for a long time now. It is not like it is fresh, this credit guarantee scheme, you talked about the CGTMSE schemes and all that. But how comfortable are the banks in lending to the profile of borrowers that we are lending to? So this has been a questionable fact and we still have a very healthy demand for our loans. So I don't really see either of them being overlapped because there you also need few other points like proper GST registration, your returns and all that, which possibly are things that we don't insist on. So there is still a category of borrowers with a large addressable market who are not going and taking Mudra loans from the banks and coming to us for their funding requirements.

Shubhranshu: Right. This was very helpful. Thank you for your time.

Moderator: Thank you. Next question is from the line of Aravind from Sundaram Alternates. Please go ahead.

Aravind: Hi, team. Thank you so much for the opportunity and congratulations on the good set of numbers considering the headwinds. I hope I am audible.

Srikanth Gopalakrishnan: Yes, please go on.

Aravind: You said that flattish slippages you are expecting for next 1 or 2 quarters also and we have one of the best collection efficiency indicators we have observed in the recent years. Are we then saying that this is the best level of slippages or are we comfortable with this level of slippages?

Srikanth Gopalakrishnan: So Aravind, the point that we are trying to say is for the next couple of quarters, you will see flattish slippages and depending on how the portfolio builds up, which is where we have tremendous confidence in the flows, the ability to control the flows into the 61 to 90 day bucket. Hopefully, you will start seeing some trend down in these slippages also in the next financial year. But for the next couple of quarters, given that there is a sizable stock in the 61 to 90 day bucket, you will possibly see the slippages at around the 70 basis point levels.

Aravind: One question, when I compare it to the previous cycle, even if it is COVID, we were able to come out of it and we were able to deliver credit cost under 1% relatively in a shorter span of time. But this time, the higher credit cost has actually gone for almost 2 years and still it is taking time. What has happened compared to the last two or three cycles? That is one question. And with respect to cost of funds, the incremental cost of funds is still lower than the book cost of funds. That means we have enough space there to manage cost of funds. That was the question. And what kind of assumptions are you having in mind when you are talking about 12-15 basis point increase in overall book borrowing cost?

Srikanth Gopalakrishnan: Sorry Aravind, I just missed the last question. What is the last question?

Aravind: The last question is, what kind of assumptions are we having on repo rate increases like in terms of any further repo rate increases we are envisaging or any quantum you have in mind when you are talking about 12-15 basis point increase in borrowing cost?

Srikanth Gopalakrishnan: So Aravind, on the first question, you asked about COVID versus the current scenario. See, in COVID, the issue was with respect to the borrower's cash flows, them not being able to come out of their houses to do their business. But there was never a behavioral impact. So when you have a very factual impact coming through, curing that factual impact is a lot easier, because once the borrowers were allowed to come out of their houses and start their businesses, they were very clear that they have to repay the money to the institutions like Five-Star. Whereas in this crisis, it did impact the behavior of the borrowers a little bit, because they saw microfinance institutions writing off huge amounts of money, not during a scenario like COVID, but during even normal times. So when you are seeing a behavior being impacted, that takes a little bit of time for us to set things right, which is why we are seeing this challenge being a little more prolonged one, as compared to what we saw during COVID, because in that case, the borrower's minds were very clear. And they were not really used to huge amounts of write-off or not being

followed up on collections. So given that the behavioral impact was there, we are seeing a little more prolonged impact. See, on the cost of funds on the book, you are right. Yes, we are incremental cost currently is less than the book cost. But as I guided for a previous question also, going forward, I think the incremental cost will largely align with the book cost, or even possibly go beyond the book cost, which means and see, today you are only looking at incremental disbursements. There are also borrowings on the book, on which you will see MCLR increases, repo rate increases, which will impact the book cost itself. So that is why we are saying that the number will certainly go up. Our assumption that we have built on 10-15 basis points Aravind is the 25 basis points repo that has already happened. Now, if there is another increase of 25 bps or another increase of 50 bps, that will again have a further impact on the cost of funds, which we will come back to you depending on the policy action that the Central Bank takes in December or thereafter.

Aravind: Sir, if I can just ask one last question, our cost-to-income ratio, like it has slightly inched up sequentially or on year-on-year basis, however, you look at it. I saw very specific other expenses increased meaningfully, both on year-on-year as well as quarter-on-quarter basis. Any particular reason which has increased, because employee expenses or other expense, like, all other expenses were, like, broadly okay, but very specific number was actually, what you call as other expenses, which is not very clear what it is, like, has increased meaningfully. So what it is and why should it be required?

Srikanth Gopalakrishnan: No, this will be primarily because of legal expenses, because as and when you log in files, when the business momentum picks up, you also start expending moneys for the external legal opinions and all that. And that takes time for it to get converted into sanctions and disbursement. So, primarily on account of legal expenses and to some extent on the CSR expenses, where the company is also expected to spend based on the last 3 years average profits. So primarily these are the two line items that push the other Opex cost higher.

Aravind:: **Ok**

Moderator: Thank you. Next question is from the line of Sanket from DAM Capital. Please go ahead.

Sanket: Yes, hi sir. Congratulations on the good set of numbers. I wanted to understand on your comments on the spreads. So the cost of fund you said will move up by about 15 bps and the hike in the yield that you have taken will come through over next 7-8 quarters. So, maybe 5-7 bps per quarter is what we can expect. So, net spread moderation could be 8-10 bps. Is that the right way to think going ahead? Margin moderation?

Srikanth Gopalakrishnan: For the half year, you are right, Sanket. What the 10-15 basis points were was how we will exit the FY '27. But if you look at the half year, yes, about 10-12 bps.

Sanket: So, post-tax that should be about a percentage on ROI or that in terms of the hit.

Srikanth Gopalakrishnan: 8 basis points, right?

Sanket: Yes.

Srikanth Gopalakrishnan: Yes, roughly yes. You are right.

Sanket: Yes. Sure, sir. And on credit cost, now we are saying that it will remain flattish for the next 2 quarters despite the headwinds that we are seeing. So from next year, we are not spelling out any numbers but for FY '28 and 29, we can assume fairly that the growth and the credit cost outcomes could be better?

Srikanth Gopalakrishnan: You are right, Sanket. We are not spelling out any numbers, but definitely the outcomes could be better, which possibly we will come out with after the Q3 or Q4 results.

Sanket: Sure, sir. That was very helpful. Yes, those were my questions.

Moderator: Thank you. Next question is from the line of Sahej from Axis Max Life Insurance. Please go ahead.

Sahej: Hi, good evening team. Just one clarification, any of these top-up loans we have given to customers in Stage-2 bucket?

Srikanth Gopalakrishnan: No, absolutely no. These are all current customers, being current with the company with a certain level of vintage. So, there are very strong controls and filters that we have put in Sahej, to not even bring any questions around issues like restructuring, evergreening and all that and this will fully pass muster with any third party including the regulator.

Sahej: Got it. And on Opex, how should we think about the Opex ratio in the medium terms? This year we have invested, but even otherwise the Opex momentum seems to be fairly high related to our loan growth. So, how should we think about Opex ratio over the next 2 years?

Srikanth Gopalakrishnan: It will trend down. Currently, for this quarter, we are roughly about 7.5%. If you look at the year, Sahej, we are about 7.35%-7.40%. Our sense is that this number will trend down at least by 50-75 basis points over the next couple of years. It will take couple of years, but definitely with the operating leverage kicking in, you should see this number somewhere between 6.75%-7%.

Sahej: Versus 6.7% in this quarter?

Srikanth Gopalakrishnan: No, this quarter is 7.5%.

Sahej: Got it. Fair enough, 50-70 basis points over the next couple of quarters, cumulatively?

Srikanth Gopalakrishnan: Couple of years.

Sahej: Fair enough. And could you spell out the D1C1, what we are seeing in October versus September?

Srikanth Gopalakrishnan: For example, September, we did about 98%. We are expecting that number for October to be very close to 98%.

Sahej: Got it.

Srikanth Gopalakrishnan: Overall D1C1.

Sahej: And disbursements, what are we, how is our disbursements momentum in October versus September?

Srikanth Gopalakrishnan: See, October will be a little muted, but November and December will get picked up. So, we expect the disbursements to be somewhere around Rs. 550 crores for this month and then pick up in November and December to get to a good growth number over the previous quarter.

Sahej: Got it. Fair enough. Thank you and all the best. Thank you.

Moderator: Thank you. Next question is from the line of Karthik from Unifi Mutual Fund. Please go ahead.

Karthik: Thanks for the opportunity. Congratulations for good set of numbers. I have one question, sir, regarding the ticket sizes. I have been noticing from the table that you have published that we are moving away from smaller ticket sizes to greater than 5 lakhs. So we have been structurally moving to higher ticket sizes. So the question number one is, what will be the steady state mix in this particular ticket size category? And is there a structural shift where we are moving from smaller ticket sizes to higher ticket sizes just because there is some amount of stress building up in the smaller ticket sizes? And how is the competition? How are we holding? How do we see the competition in higher ticket sizes? That is the question.

Lakshmipathy Deenadayalan: Yes. First, let me correct it. We are not moving away from smaller ticket size to bigger ticket size. The structural shift is also focusing on bigger ticket size. So last year, when we gave this commentary of structurally moving, focusing more on 5 lakhs plus ticket size, we said our intent is to bring less than 3 lakh ticket size to around 25% and 3-5 lakh ticket size around 50%, which is our core and keeping the balance 25% of AUM in 5 lakhs plus ticket size. See, that is our structural shift and we are moving in the right way.

Lakshmipathy Deenadayalan: In this quarter, what is the mix?

Srikanth Gopalakrishnan: On the disbursements?

Karthik: No, on the 3 lakhs?

Srikanth Gopalakrishnan: Roughly, we are at about 26%-27% of sub 3 lakhs and another about 51%-52% on the 3-5 lakhs and the rest being in the greater than 5 lakhs. But it will move to a largely 25-50- 25.

Karthik: Thank you.

Moderator: Thank you. Next question is from the line of Chintan Shah from Yadnya Investment Academy. Please go ahead.

Chintan Shah: Hello, am I audible?

Lakshmipathy Deenadayalan: Yes, please proceed.

Chintan Shah: Basically, I want to ask that, you mentioned that the 1 plus DPD and 30 days plus DPD is increased. But I want to just like to know why the GNPA and NNPA are rising? Is it an issue in last stage of asset?

Srikanth Gopalakrishnan: So Chintan, the point that we have always been making is on the 1 plus and 30 plus you can definitely control flows, fresh disbursements are coming through where we are not allowing them to slip. Whereas, if you are looking at the GNPA, for us to cure the GNPA, it would mean that we have to collect more installments from these customers or settle these customers. But given that these are sticky customers and you cannot even collect one installment extra and bring it down, you have to actually collect 3 more installments to bring them down. So that is a significant challenge for this segment of borrowers, which means they will tend to be a little sticky till the time we actually settle these loans. So, you will see that number being a little sticky for the next couple of quarters.

Chintan Shah: And in FY '28, will it improve?

Srikanth Gopalakrishnan: Yes, Chintan, we are definitely working towards improving GNPA ratios in FY '28, but we will give you a better perspective towards the end of this financial year.

Chintan Shah: Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Manan from Research Analyst. Please go ahead.

Manan: Hi. Thanks for the opportunity. My question is more related towards the recovery of the written off loans. So, I don't have the numbers for the last 6 months, but in FY '26, I think we have written-off around Rs. 166 crores of loans, but the recovery was around Rs. 16 crores. So, can you just guide me, how long does it take to recover the written off loans?

Srikanth Gopalakrishnan: Manan, typically, it takes about 18-24 months because we don't have the luxury of SARFAESI, given that our loans are less than 20 lakhs. So, we have to go through the legal process, which is a time-consuming process. So, you will at least see these loans taking about 2 years or so on an average to recover, which means there will be some that will get recovered faster, some which

will be prolonged. So, you will start seeing the recoveries on write-offs that we have done during this year and the previous year, more from FY '28 and FY '29 onwards.

Manan: So, we expect the recoveries to increase as we go forward. And just to get an idea, the loans that we had written-off in FY '24 and FY '25, are we seeing that the valuations of the securities are holding up when we are actually realizing, going for realization on the loans?

Srikanth Gopalakrishnan: Definitely, yes. It is just that maybe we are giving slightly more discount on the IRR. But even now, on the write-off loans, we are able to collect the entire principal plus about roughly around 12% odd on IRR, even on deep delinquent loans, which shows the strength of the collateral.

Manan: Yes, because I had been seeing this trend for the last 5 years. If you tally the, I don't have the numbers right now handy with me, but if you tally the written-off loans with the recovery over the last 5 years, there is a good difference. So, that is where my concern comes in.

Srikanth Gopalakrishnan: You will see the numbers improving, Manan. It is just that, given the lack of SARFAESI, it takes a longer period of time through the court process. But you will see the numbers trending up.

Lakshmipathy Deenadayalan: I just want to add one point here. I think last 18 months back, only we set up our legal recovery vertical, just to remind that point. When we set up the legal recovery vertical, we said we are very confident that quarter-on-quarter, our resolutions in NPA will be higher. So just to give you the number, last quarter, the resolved portion of NPA, including the write-off was Rs. 35 crores. Previous quarter, it was Rs. 25 crores. So, the current trend gives us the confidence that for the full year, the resolution from NPA will cross Rs. 100 crores. So that should give you the confidence that the strength of the collateral that we hold with the deep delinquent customers.

Manan: That is helpful. Yes. That clarifies. Thank you very much.

Lakshmipathy Deenadayalan: Thank you.

Moderator: Thank you. Next question is from the line of Varun from Ascent Capital. Please go ahead.

Varun: Yes. Hi. Thanks for the opportunity. Three quick questions. So, I just want to understand when we increase the share of 5 lakh plus loans, but at the same time, we are increasing the yield. We are looking to transmit the yield from the cost of funds that we are having. Will there be some impact on asset quality for those pool of loans, given that we are going to be searching for maybe higher yield loans? That is question one. Question two is, just to understand, is there a target sort of mix from a ticket size perspective when you look to increase your leverage? And question three is, on the fee income, is there any impact from the recent IRDA circular? What do you foresee will be the impact on our fee income from that? Thanks.

Srikanth Gopalakrishnan: So, Varun, first question, higher yields don't necessarily mean you are going to a suboptimal kind of borrower. In fact, if you look at our portfolio cut today, it is the smaller ticket sizes with some overlap, lesser financial literacy who have been impacted. But yields do not necessarily

translate into higher defaults. So we are very confident that, in fact, till about a couple of years back, even our more than Rs. 5 lakh loans used to carry the same kind of yield as less than 3 lakh loan. And it did not really translate into a worse credit quality. Just taking the same thing into the second question also, it doesn't mean that it is higher leverage. The underwriting clearly takes into account all the obligations the customer has at this point of time, knocks off all those obligations, computes the debt burden ratio. In fact, from October onwards, we have started knocking off even all the obligations, including giving an imputed obligations to gold loans. So today we are knocking off all the obligations of the customer which is reflected in the bureau before actually understanding the residual cash flows in the hands of the borrowers. So neither does it translate to higher asset quality or worse asset quality, nor does it mean that we are taking higher leverage, which could eventually translate into a worse asset quality. On the third question, we had zero impact on account of the IRDA circular because we don't charge even a single rupee of insurance commission that comes on to our P&L. Our insurance is a pure pass-through. We take a credit life insurance on the main income earner and the premium that is charged by the insurance company is only charged to the borrower. We collect it and remit it to the insurance company. We never and we do not intend to make a single rupee on the insurance commissions. So zero impact for us.

Varun: On the second question, actually, what I was asking is, do we have a target mix for, let us say, 5 lakh plus being from the portfolio at which we will increase our balance sheet leverage?

Srikanth Gopalakrishnan: No, that's what. The intent that we want to get to is 25% on sub 3 lakhs, 50% around the 3-5 lakhs or a little over that, then about 25% of the 5 plus lakhs. Now, as we see improving metrics, obviously, the ticket sizes will keep going up at least for inflation on a year-on-year. So, definitely this 5 lakhs is not something that is cast in stone. As we keep going forward, this 5 lakh might move into a 6 lakh kind of a category and you will see the numbers going up.

Varun: Understood. Thank you.

Moderator: Thank you. The last question for today is from the line of Chirag from MS Capital. Please go ahead.

Chirag: Hi. Congratulations team on a set of strong numbers sequentially also. Two questions. The first one just on the top-up loans, just combining the two comments, my guess is that the current 10%-15% of top-up loans of disbursements will also trend down as the repayment rates comment and you mentioned that that is going to trend down. Then probably the proportion of top-up loans has incrementally will also trend down?

Srikanth Gopalakrishnan: As the disbursement keep going up, Chirag, even from a new loans perspective, the top-up will trend down. Though in absolute quantums, it may keep going up.

Chirag: Understood. And here, Srikanth, is it possible to just highlight one or two of the strongest guardrails? So, no 1+ customer is eligible for a top-up loan. From an LTV perspective, is it even

stronger or is the guardrail stronger than a new loan? Could you just highlight a couple of guardrails on the top-up loan?

Srikanth Gopalakrishnan: No, see, definitely it should be a minimum vintage. So, we are keeping it at least 12-18 months of minimum vintage for anybody who can approach a company for a top-up loan. He should not have crossed, let us say, a certain DPD threshold and his credit score obviously should not have deteriorated compared to what his credit score was at the time of the original sanction. On LTV and DBR, we are not putting additional guardrails, Chirag. In fact, we have resisted the temptation to relax that because, see, this is a customer who has been paying perfectly with us for 18 months or so, right? Now, why should you put a stronger guardrail on LTV or DBR for those customers? The question is, how do you position to primarily the regulator that you are not doing this from an evergreening perspective? You are doing it because the customer is strong and has demonstrated strong repayment capability and wants a higher funding.

Chirag: Understood. And just to clarify, when you say DPD not above a certain point, obviously, when the top-up loan is written, they are a current customer, but in the history also, they should have never crossed a certain DPD threshold?

Srikanth Gopalakrishnan: Yes.

Chirag: That is what. Understood. Just one more question on the recovery side. I guess there has been a couple of questions on the call around that. I believe the Rs. 20 odd crores in the first half that we have recovered from the written-off pool, I am only looking at the written-off pool that would be relevant for everything that was written-off probably till FY '25. Nothing of FY '26 significantly would have come into the recovery from the write-off in the first half, right?

Srikanth Gopalakrishnan: Firstly, I wanted to clarify this number for the first half is about Rs. 20 crores. And you are right. See, you cannot exactly say that nothing from FY '26 would have come in.But you are right, largely these would be recoveries from loans which were written-off prior to FY '26.

Chirag: Understood. Very clear, Srikanth. Just a request to the team, Mr. Pathy and the team. Obviously, there have been a couple of questions around the write-off. I guess it is because Five-Star has such a strong history of the quality of collaterals. If that is possible to give a few more disclosures around the write-off, also given the fact that last 8 quarters, we have seen around Rs. 300 crores of write-offs versus the last 5 years till FY '25 would have been probably closer to Rs. 150 odd crores. So, it is a much larger pool today. If you can give us a little bit more disclosures and details around in the presentation itself, what the pool is, how is it curing and I am talking about the written-off already, not the existing NPA pool, just the deep delinquent written-off pool. That would be very helpful if you can take that into consideration.

Srikanth Gopalakrishnan: We will think about it and come back Chirag.

Chirag: Thank you so much. Congratulations again for a good, strong set of numbers. Thank you.

Moderator: Thank you. As that was the last question for today, I now hand the conference over to the Management for closing comments.

Srikanth Gopalakrishnan: So thank you all for attending our second quarter earnings call. As we said, we are definitely very confident of the trajectory that we have been witnessing over the last couple of quarters. And definitely, this trajectory is going to keep going up across all the three aspects of growth, quality, and profitability. We are seeing strong green shoots coming on some of the parameters. There are one or two parameters which are likely to remain flattish for the rest of the year. But even there, we will start seeing improvements. But definitely, the company is poised to achieve many milestones in the quarters and years to come. Thank you for all your support. We will see you all during the third quarter earnings call. Thank you so much.

Moderator: Thank you. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.