

Date: October 28, 2026

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Department of Corporate Relationship
BSE Limited
25th Floor P. J. Towers, Dalal Street
Mumbai -400 001

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai -400 051

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SCRIP SYMBOL: PAISALO

Ref : Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the SEBI (LODR) Regulations) r/w Clause 15 of Part A Para A of Schedule III to the SEBI Listing Regulations

Subject : Transcript of Conference Call held in respect of the Financial Results for the quarter ended September 30, 2026

Dear Sir/Madam,

In furtherance of our letter dated October 16, 2026, the transcript of Q2 FY2027 investor conference call has been uploaded on the website of the Company at https://www.paisalo.in/pdf/pdf/Transcript_of_Q2_FY2027.pdf

Also, enclosed is the transcript (pdf) as attachment for ease of reference.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Paisalo Digital Limited

MANENDR

A SINGH

(MANENDRA SINGH)

Company Secretary

Digitally signed by
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Date: 2026.10.28
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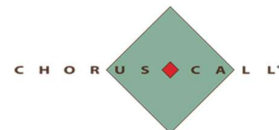
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अर्थ: समाजस्य न्यासः



**“Paisalo Digital Limited
Q2 FY27 Earnings Conference Call”**

October 22, 2026



**MANAGEMENT: MR. SANTANU AGARWAL – DEPUTY MANAGING
DIRECTOR
MR. HARISH SINGH – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER
MR. GAURAV CHAUBEY – CHIEF BUSINESS OFFICER**

**MODERATOR: MR. MANEET KHIMAWAT – ELARA SECURITIES
(INDIA) PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to Paisalo Digital Limited Q2 FY27 Earnings Conference Call hosted by Elara Securities (India) Private Limited. Before we begin, let me draw your attention to the fact that today's discussion may include certain forward-looking statements, which are predictions, projections or other estimates about future events. These statements reflect management's current expectations about future performance of the company and are subject to various risks and uncertainties that may cause actual results to differ materially.

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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Maneet Khimawat from Elara Securities. Thank you and over to you, sir.

Maneet Khimawat:

Thank you. Hello and good evening, everyone. On behalf of Elara Securities, I thank you all for joining the Q2 FY27 Earnings Conference Call of Paisalo Digital Limited. Today from the management, we have: Mr. Santanu Agarwal, Deputy Managing Director; Mr. Harish Singh, CFO; and Mr. Gaurav Chaubey, Chief Business Officer.

I will now hand over the call to Mr. Santanu for his opening remarks, post which we can open the floor for question and answers. Thank you and over to you, sir.

Santanu Agarwal:

Good afternoon, everyone, and thank you for joining us today for Paisalo Digital's earnings call for the quarter ended September 30, 2026. I hope you have had the opportunity to review our earnings presentation, which has been shared earlier on the exchanges and is also available on our website.

We are pleased to share that Paisalo has delivered another quarter of healthy performance with continued progress across growth, distribution, technology and asset quality. More importantly, the investments we have made over the past several quarters are increasingly translating into operating outcomes, reinforcing our confidence in scalability and resilience of our business model.

Let me begin with a brief perspective on the operating environment. The Indian economy continues to demonstrate resilience despite global uncertainties supported by healthy domestic demand and broad-based economic activity. The RBI has maintained a constructive outlook revising its FY27 real GDP growth estimate to 7.1% in its latest monetary policy while the recent 25 basis point repo rate increase reflects a calibrated approach to inflation management. At the same time, uneven monsoon conditions have affected sentiment in certain regions and rainfall deficit pockets warrant continued monitoring.

Against this backdrop, we remain focused on balancing growth opportunities with disciplined risk management. Our diversified portfolio provides an important degree of resilience in this

environment. Agri and allied segments account for approximately 15% of the portfolio while the balance diversified across food and hospitality, street vendors, health care, education, technology, manufacturing, textiles, transport and other SME and micro enterprise activities.

Our geographical presence across 23 states and more than 10,000 pin codes provides significant diversification and granularity, reducing concentration risk while creating access to a vast underserved market opportunity.

Over the past several quarters, we have continued to strengthen our technology and risk management capabilities. Our proprietary underwriting framework combines on-ground engagement with geospatial intelligence, alternate data and AI-driven analytics while our AI-enabled portfolio monitoring platform provides real-time visibility, early warning indicators and dynamic risk assessment. These capabilities are reflected in the health of our portfolio with collection efficiency at 98.3%, gross NPA at 0.66% and net NPA at 0.46% at the end of the quarter. This gives us confidence in our ability to scale while maintaining disciplined asset quality.

During the first half of this fiscal year, we have made significant progress in broadening and diversifying our access to capital markets. We have successfully raised approximately INR294.9 crores through our public NCD issuance under the INR900 crores shelf program followed by INR124.47 crores listed dual-rated unsecured private placement of NCDs in September. We have also raised over INR177 crores through commercial paper issuances during H1 FY27 further enhancing our funding flexibility and liquidity position.

A significant portion of this funding was raised towards the end of the quarter, which temporarily impacted reported yields. We expect yields to normalize and the incremental interest income contribution to progressively follow through. At the same time, the enhanced balance sheet capacity provides greater headroom for an improvement in RoE as deployment scales up. Supported by strong capitalization, increasing operating leverage, a rapidly expanding distribution network and accelerating digital orientation, Paisalo is well positioned to capitalize on the strong demand environment. The festive season, resilient consumption trends and continued execution across our platform provides a solid foundation for sustained growth.

Let me now turn to our broader strategy. Our growth is anchored around four reinforcing pillars: distribution, product diversification, technology and AI and liability management. As each of these capabilities scale, they are reinforcing one another and strengthening the quality, efficiency and resilience of the franchise.

Distribution remains at the heart of our growth strategy. During Q2, our footprint expanded to 6,415 touchpoints across 23 states comprising 426 branches, 4,299 distribution points and 1,690 business correspondents touchpoints. Importantly, our expansion combines a branch-led presence with an increasingly asset-light distribution model enabling us to deepen penetration in existing markets while expanding into new and contagious geographies. Our customer

franchise has correspondingly scaled to approximately 20 million providing a significantly larger base for future growth and engagement.

Our Business Correspondent network is an important strategic component of this distribution architecture. Partnerships with State Bank of India, Bank of India and Indian Overseas Bank give us last mile connectivity across underserved markets and deepen our participation in the formal financial ecosystem. During Q2, the BC network expanded to 1,690 touchpoints and served approximately 1.93 million customers across services ranging from account opening, fund transfer to social security products and micro credit. Importantly, we see this channel as more than a transaction network. Over time, it can create a broader customer ecosystem for Paisalo and strengthen the foundation of future credit acquisition and cross-sell.

Our second pillar is product diversification. As the distribution franchise scales, the opportunity is not simply to reach more customers, but to address a broader range of financing needs within the ecosystems where we already operate. We, therefore, intend to progressively broaden our product suite around the core MSME and micro entrepreneurs franchise through an increasingly partnership-led and asset-light approach. This should allow us to improve distribution, productivity, diversify our growth avenues and deepen customer engagement while maintaining disciplined underwriting.

Our third pillar is Technology and AI where we continue to make meaningful progress. During Q2, AI-enabled onboarding processed approximately 1.90 lakh applications while AI-driven outbound calling scaled to approximately 3 lakh calls daily. We now have 25 live AI bots across the organization. More importantly, AI is increasingly embedded across the lending life cycle from sourcing and onboarding to underwriting, portfolio monitoring, collections and customer engagement.

These capabilities are helping improve turnaround times, strengthen monitoring and reduce manual intervention. We are also beginning to see these investments translate into operating efficiency. Despite 33% year-on-year growth in AUM and continued expansion of our network, our employee base declined by 11% year-on-year during the quarter. We see this as an early evidence of increasing operating leverage as technology and automation enables us to scale business volumes without a commensurate increase in operating resources.

Our fourth pillar is liability management where the focus remains on diversification, funding flexibility and cost efficiency. The progress made through public and private NCD issuances, commercial paper and proactive debt management has broadened our funding architecture during the first half. As Paisalo scales, this increasingly diversified liability franchise should provide greater flexibility in funding growth while supporting balance sheet efficiency.

Taken together, our progress across distribution, product diversification, technology and funding is strengthening the scalability and resilience of our franchise.

We believe Paisalo is well positioned for the next phase of growth. The platform we have built across distribution, products, technology and funding is stronger and more scalable today giving us the ability to pursue significantly larger opportunities while remaining disciplined on risk, capital and returns. We thank our investors and stakeholders for their continued trust and support as we build a more resilient technology-led and financially inclusive company.

With that, let me hand over the call to Mr. Gaurav Chaubey, our CBO, to share his perspective on the operating environment before we move to the detailed financial performance. Thank you.

Gaurav Chaubey:

Good afternoon and thank you. Let me share our perspective on the operating environment, the areas where we are seeing some pressure and importantly, the actions we are taking to protect portfolio quality while continuing to capture attractive growth opportunities.

The 2026 Southwest monsoon ended at about 87% of the long period average with considerable regional variation. Even so, kharif sowing is down only by about 1% year-on-year and covers 101% of normal acreage as irrigation and stable reservoir levels have helped offset the rainfall shortfall in most regions.

The pressure is concentrated in certain pockets with Maharashtra the most impacted state this season and parts of Karnataka, Andhra Pradesh and Telangana also receiving patchy below average rainfall. Certain districts have been declared drought affected. Customer demand in these areas has been relatively muted and we have responded by tightening underwriting guardrails, moderating rural disbursements in drought-related districts and stepping up collection efforts in these locations.

Bihar experienced higher than expected rainfall in the latter part of the monsoon along with flooding in certain areas. Given our relatively limited portfolio exposure in the region, we currently expect the overall impact on our portfolio to remain manageable.

For agri equipment finance in agrarian belt, repayments are typically structured at half yearly installments around the end of rabi and kharif season so it is still early to draw definitive conclusions on portfolio performance. We have also moderated our B2B business in certain drought affected markets across both urban and rural locations acting proactively wherever early cohort indicators began to move.

Looking ahead, rural indicators remain broadly supportive with vehicle registrations in rural and semi-urban areas growing at marginally higher pace than in urban and metro markets during the first half. The kharif outcome should become clear by end of October or early November and we expect rural cash flows to improve after the harvest. State and central governments have been proactive in drought-affected areas, which should help soften the impact on rural households. Early October business momentum has been encouraging and the overall collection efficiency in our rural business portfolio continues to remain high.

Despite seasonal backdrop, demand remains visible in mobility, machinery and other movable asset financing in Maharashtra supported by industrial and urban activity. In Uttar Pradesh, demand remains healthy across mobility and agricultural segments while Haryana and Rajasthan are seeing opportunities in machinery and mobility financing supported by manufacturing, mining, construction, infrastructure and agricultural mechanization. Delhi and NCR continues to see broad-based credit demand across commercial, trade, transport and service activities.

More broadly, we are seeing an uptick in credit offtake among MSME and SME borrowers across several emerging markets driven by working capital and business expansion needs.

Overall, while we remain watchful in specific rural and agricultural pockets, the broader demand environment remains supportive. Our approach is to stay agile, calibrating growth at the cohort and geographical level while preserving underwriting and collection discipline.

With that, let me hand over to Mr. Harish Singh, our Executive Director and CFO, to take you through the financial performance in greater detail. Thank you.

Harish Singh:

Good afternoon and thank you. Let me take you through Paisalo Digital's financial performance for the second quarter of financial year '27.

Q2FY27 reflected continued scaling across the franchise. Assets Under Management reached INR72,659 million as of September 30, 2026 representing growth of 33% year-on-year. Disbursements increased by 42% year-on-year to INR15,673 million during quarter 2 and reached INR32,982 million for H1 financial year '27 representing 77% year-on-year growth. This reflects healthy underlying credit demand and the increasing scale of our distribution and origination capabilities across customer segments, products and geographies.

Total Income for the quarter increased by 24% year-on-year to INR2,773 million while Net Interest Income grew by 17% to INR1,476 million. For H1 financial year '27, Total Income increased by 21% year-on-year to INR5,376 million and Net Interest income grew by 17% to INR2,923 million reflecting the continued scale-up of the loan book.

Profit Before Tax for quarter 2 financial year '27 increased by 27% year-on-year to INR874 million while Profit After Tax grew by 27% to INR656 million. For H1 financial year '27, Profit Before Tax increased by 28% to INR1,696 million and Profit After Tax grew by 29% to INR1,270 million.

Our return ratios also remained healthy with Return on assets at 3.3% and Return on Equity at 13.4% for quarter 2 financial year '27. Importantly, Return on Equity improved from 11.8% in the corresponding quarter last year reflecting our continued focus on delivering profitable growth while scaling the franchise.

Asset quality to improve supported by disciplined underwriting, proactive portfolio monitoring and our collections architecture. Gross NPA improved by 15 basis points year-on-year to 0.66%

as of September 30, 2026 while net NPA improved by 19 basis points to 0.46%. Collection Efficiency stood at 98.3%. Credit cost declined to 0.4% in quarter 2 financial year '27 compared with 1.1% in quarter 2 financial year '26. While H1 financial year '27 loan losses and provision declined by 47% year-on-year to INR155 million from INR295 million in H1 financial year '26.

Turning to the balance sheet. Total borrowings stood at INR54,808 million as of September 30, 2026. Our Cost of Borrowing declined by approximately 50 basis points year-on-year to 10% reflecting the continued diversification of our liability franchise. Debt-to-equity stood at 2.89x while capital adequacy remained healthy at 30.7%, including Tier 1 capital of 25.2%. Our ALM position remained comfortable with a positive gap across buckets.

As we enter the second half of financial year '27, our priorities remain focused on sustaining growth, improving funding efficiency, maintaining asset quality discipline and translating the increasing scale of the franchise into sustainable returns and long-term value for all our stakeholders. Our balance sheet and capital position provide us with the capacity to support this next phase of growth while maintaining financial discipline.

Thank you. With that, let me hand the call back to the moderator.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Sandy Mehta from Evaluate Research.

Sandy Mehta: Congratulations on a very strong set of results across the board and well-done job on Investor Relations with your presentation in this conference call. My first question is with the RBI now raising rates, can you comment a little bit on how that will impact you in terms of lending and borrowing yields and your net interest margin? You mentioned that you have some borrowings at the end of the quarter and you expect your yields to normalize. But how do you think this plays out over the next few quarters, please?

Santanu Agarwal: So, in terms of the RBI raising rates, as you might have heard in the recent statement also by the Honorable Governor, he said that he is not expecting any more rate cuts going forward for the next couple of quarters and there should be an incremental impact. I mean if you see the morning today, G-SEC also was up about 50 basis points.

So we definitely expect that there is going to be about a 25 to 30 basis point increase, which we have already priced in. By the way, if you remember in quarter 1, we gave our full year guidance of finishing our cost of funds at 10.5%. And we are currently at the end of quarter 2 or half year 1, we are standing at 10%. So that cushion is definitely built into the system.

Sandy Mehta: Okay. And so you do expect your Net Interest Margins to rebound a bit over the balance of the year?

Santanu Agarwal: Yes. Net Interest Margins will be range bound within the expectation which was provided, which was about 6% on an annualized basis. We are currently at 5.7%. So definitely, irrespective of

whether we go from 10% to 10.25% or 10.5% in terms of the cost of funds, we are definitely expecting the NIMs to close at about 6%.

Also, when you look at Q2 in general, you see that there has been other activities also where you see that due to the tariff practice and the drought affected areas, there have been certain issues that propped up on the portfolio in terms of growth. And all the capital raise, which took place along all the debt and everything, was towards the end of the quarter, which on a transient basis created a denominator effect, which reduced the yields.

Sandy Mehta:

Okay. You mentioned that the head count was down 11%, which is just -- I think it's remarkable given the overall growth of the organization. So do you expect more operational efficiency going forward? Are there any metrics or any quantification of that going forward?

Santanu Agarwal:

No. So, as I continue to say that all the reduction in the workforce that you even saw in the last quarter, we reduced the workforce by about 3% despite an AUM growth of about 27%, 28-odd percent, was a factor of our existing distribution network, which we have been working for the last few years maturing and spearing out incremental disbursements and the product diversification that is taking place due to the asset-light expansion of the touchpoint franchise.

So on a short-term basis, yes, it looks like it's going to sustain. But towards as we move into the festive season of Q3 and towards the end of quarter 4, we are expecting it to normalize. So, what you are seeing is an impact of what we have been spending our time and energy on for the last 2 fiscal years in terms of our distribution strategy and product diversification strategy.

I still continue to maintain the same wherein in the medium to long term with everything that we are doing with AI and all the new systems which are coming in place, in fact as guided in the last quarter, we are also releasing our app by the end of this Q3 to be targeting in Q4. We are going to have a little bit of a jump in our operating framework.

Sandy Mehta:

And one last question. Any update on the State Bank SBI co-lending business from their side in terms of approvals? And are there any other government regulations or changes in regulations that might impact your co-lending business?

Santanu Agarwal:

So we are pretty much status quo on the co-lending side of the business wherein that we are doing a little bit of co-lending here and there with all the banks. But most of -- we have complied, like I always say that we are in compliance with the entire circular. We are just waiting the go-ahead from the respective banks as to whenever they are able to comply with their side of the circular.

They have to create a CIF structure. They have to place it in their CBS. It's a long policy, long compliance side from their side. So we are good to go whenever they are ready with the same. So it's status quo right now from their side.

Moderator:

Next question is from the line of Manav from Antique Stock Broking Limited.

Manav: I have two questions. Firstly, how much of the yield moderation is purely the timing of disbursements versus the changes in product mix or competitive pricing? And secondly, our head count has declined 11% year-on-year despite the 33% AUM growth. So just checking how much further efficiency can tech deliver without affecting, let's say, customer service or collections?

Santanu Agarwal: Manav, so with regard to your point on yields, it was mostly that yield factor was coming because a majority of the disbursement that took from the transition of quarter 1 to quarter 2 happened towards the end of the quarter of the quarter 2, which created a denominator effect temporarily affecting yields.

Towards Q3 and Q4, yields will be back to normal. They will be normalized and we continue to maintain the same yield levels across our products and geographies that we are expanding into. So there is nothing that we are doing in terms of yield reduction just to enter a specific geography or a product.

So this is just a temporary transient measure that took place on the same as told to you wherein a significant amount of funding and deployment was done towards the end of the quarter. So this is just a temporary impact on the reported yields. In terms of your headcount reduction point, we did reduce our head count last quarter also about 3% on a year-on-year basis despite giving about a 28% growth in the AUM. Obviously this time we have reduced it by 11% on a year-on-year basis and giving a 33% AUM growth.

This you are seeing because of the investments that we have been doing in the last 2 years towards product diversification and diversification of our touchpoints wherein we have been able to scale doubling of our touchpoints every year on -- and in fact one of these years, we were able to double it every quarter, right?

So, what you are seeing is those operating leverages, which were laid in the last 2 years, now maturing and spewing disbursements for us. On a medium- to long-term basis as we release our application this quarter end also, which is quarter 3 end, and we have the new AI framework and franchises kicking in, we will see an increase in the operating leverage. This is just a temporary transient impact on a short-term basis.

Moderator: Next question is from the line of Dhruvi Shah from Altermount Advisors.

Dhruvi Shah: So, my first question is management has previously spoken about leveraging AI and digital initiatives. So, when should investors expect a measurable impact on the cost-to-income ratio and other efficiency measures?

Santanu Agarwal: So if you look at the AI framework that we have been investing in into, we processed roughly 1.90 lakh applications this quarter. We took care of roughly 6.50 lakh calls. We have now 25 AI bots that are live and we did about 3 lakh outbound calls on a daily basis. Now if you compare it with what we were doing in quarter 1 of this fiscal year, we were at about 1.80 lakh

applications. We were at about roughly about 3 lakh checks, which include manual intervention. We had basically 0 bots. Our outbound calls were about 2 lakhs.

We had basically 0 text bots, then we had 7 and now we are at 15. We have gone to about 65,000 facial recognition facial matches, about 3.50 lakh OCR scans. And we have moved to a 100% AI-assisted journey for our legacy maintenance and almost 100% core driven, 100% test kit generation for the cases. Now as a point on the operating leverage if you see, most of what you are seeing is again maturing of our distribution network and our product expansion that we've been doing in the last 2 years.

But a lot of it is also based on the AI framework that we have deployed and which is causing that 3% reduction in the head count and 11% reduction in the head count. But obviously unlike a lot of other technologies, which have matured over the last couple of years where the cost of technology has become cheap, AI is still a relatively new technology where the cost of creating an AI framework on a short-term basis remains high or elevated. As the technology progresses and compresses, the cost of running these AI framework has also cheapened.

But right now what is happening is we are having an AI framework also and we are having our touch framework also, which is a human operating leverage that we have, running on a combined basis where we are shifting a lot of load to AI, but there is still a maker checker framework, which is in place to ensure that AI is not on a stand-alone basis taking over the operations of the company, which is causing that blip in the operating leverage. So on a short-term basis, you will see that growth will outpace what we are doing here.

But on a medium- to long-term basis that is when we approach quarter 1 of next fiscal year, you will see that these frameworks have now started to align and that impact will be seen. So on a 3-year cycle, perhaps towards the end of the 3-year cycle that we are running on where we are doubling our AUM revenue impact by the end of next 3 fiscal years; you will see towards the end of that third fiscal year is where we are closer to the downward trajectory of our operating leverage.

Dhruvi Shah:

Okay. Got it. And what are the long-term ROA and ROE aspiration?

Santanu Agarwal:

On a long-term basis on our ROE framework, I think we'll target somewhere around the 15% to 18% range on a sustained annualized basis. On an ROA basis, we are at about 3.3%, 3.4% so anywhere between 4%, 4.5% is a good level on an annualized basis for us. I don't know if you saw, but we also doubled our ROE and ROA in the last 2 fiscal years from about 1.5% and 7% to now 13.3% and 3.5%.

Moderator:

Next question is from the line of Ramesh Raizada from Apical Capital.

Ramesh Raizada:

Congratulations on good set of numbers. I have only one issue or maybe one flag, which I'm observing. Your finance cost, rate of change in the finance cost is about 33% when we compare on consolidated basis on a year-on-year whereas the revenue growth in terms of income is growing only at about 24%. Maybe there could be a mismatch of liability and the asset which is

yet to be created, but yet the gap is too wide. What are the steps you think you should be taking to bridge this gap or the growth has to be higher than the financing cost?

Santanu Agarwal:

So this is primarily due to the cause of late deployment of funds. As we transition from quarter 4 to quarter 1 and quarter 2, there is always a transient quarter where the funds are coming towards the end of the quarter, whether it was our public issue that we did or whether it was the unsecured 10-year paper that we raised wherein all of these funds typically come in towards the end of the quarter and the company is doing a transition on a quarter-on-quarter basis.

So this is primarily on account of the late deployment of funds where you see some extra surplus money being passed on the treasury side of the business. So as the quarter 3 and quarter 4 comes, this automatically normalizes and what you say will automatically happen. This is typical of our trend in a finance company in quarter 1 and quarter 2 for us. I don't know about the remaining of us. But in quarter 3 and quarter 4, this will be resolved when you look at it.

Moderator:

We will take our next question from the line of Sudha K from TNA Advisors.

Sudha K:

Congratulations for a great set of numbers. Sir, I have 2 questions. The first one being what is the expected timeline and the business impact of our consumer-facing app launch?

Santanu Agarwal:

Sudha, as guided in quarter 1 wherein we gave the entire framework for doubling of AUM revenue and PAT over the next 3 fiscal years, we are targeting the app to go live in quarter 3, which is ongoing right now by the end of this quarter 3 and probably start sharing the metrics on the strategy by quarter 1 of next fiscal year because we are targeting somewhere around -- releasing it around Christmas or towards the New Year's part of it, creating a marketing scheme around it on the omnichannel strategy that we are working on.

Using quarter 4 to stabilize the infrastructure of the Distribution Point, Business Correspondents points and our Branches on it plus starting the activities on it. So, towards quarter 4 is when you'll be able to see the app as well as start seeing some metrics on it. With the quarter 1, you'll start seeing quarter-on-quarter comparison on the metrics of the same.

Sudha K:

Okay, sir. Sir, I have one more question. Sir, how much customer acquisition is expected to come through digital channels over the next few years?

Santanu Agarwal:

So we are -- our original acquisition strategy that we run on currently is called a High-tech, High-touch strategy where we are basically using a combination of services spread between Branches, Distribution Point and Business Correspondents points for our touch part of it and the tech is used basically to onboard through these distribution points.

So what we are targeting in our first zone is that we are targeting that branches will continue to run on the Internet application while our acquisition framework through our Business Correspondent and OEM and dealer tie-ups are going to start pushing the application in quarter 1 of next fiscal year once we have about quarter 4 to scale and stabilize the app.

So I would say on this year stand-alone basis if provided the app is stable and is able to take care of the demand in terms of what we are targeting, we'll have a relatively small chunk of acquisition coming through the app. But by the end of this 3-year strategy, we can definitely expect anywhere between 40% to 50% of acquisition coming directly from this consumer-facing app because we will maintain that growth to risk ratio that we maintain across all the products and franchises.

Sudha K: Understood, sir. Sir, I have one more question. Sir, given the recent liability raises and the capital market activity, so what reduction in cost of funds can investors expect, sir?

Santanu Agarwal: So, on a last, I would say, 5-year basis; the company was able to reduce its cost of funds from roughly 13% to 10% as of quarter 2 of fiscal year '27. Our guidance for a full year is about 10.5%. So, we are currently sort of ahead of our guidance of 10.5%.

We are at 10% right now. So, I think we are fairly comfortable in terms of our cost of fund guidance because with our growth strategy that we have in place right now, all the calculation we have done, we are projecting about 10.5% cost of fund for this full fiscal year.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand it back to the management for closing comments.

Santanu Agarwal: We thank our investors and stakeholders for continued trust and support as we build a more resilient technology-led and financially inclusive company. We believe Paisalo is well positioned for the next phase of growth. The platform we have built across distribution, products, technology and funding is stronger and more scalable today giving us the ability to pursue significantly larger opportunities while remaining disciplined on risk, capital and returns. Thank you, Elara, and thank you, everybody, for joining the call today.

Moderator: Thank you very much. On behalf of Elara Securities (India) Private Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.

(This document has been edited for readability purpose)

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