



OnEMI Technology
Solutions Limited

kissht

OnEMI Technology Solutions Limited (Kissht) Q4 FY26 & FY26 Earnings Conference Call May 29, 2026

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Moderator: Good morning, ladies and gentlemen. Welcome to the Earnings Conference Call of OnEMI Technology Solutions Limited (KisshT) to discuss the Company's Financial Performance for Q4 FY26 and FY26.

Please note that all participant lines will be in the listen-only mode during the management discussion. There will be an opportunity for questions and answers after the management's opening remarks. Participants may also share their questions through the Q&A chat box during the call. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Chirag Jain - Head of Strategy and Investor Relations at KisshT. Thank you and over to you.

Chirag Jain: Hey, thanks Michelle and good morning everyone. Really glad to have you all with us today as we talk through our Q4 and full year FY26 performance. This is actually our first Earnings Call since listing, so it's a milestone moment for us and we're genuinely excited to start engaging with the broader investor community.

We hope you've had the opportunity to go through our Earnings Presentation and Press Release, both of which are available on our website and with the Stock Exchanges. We have also uploaded an excel KPI sheet on our website for your easy reference.

On the call today we have Mr. Ranvir Singh - Founder, MD and CEO, Mr. Krishnan Vishwanathan - Founder, Director and CFO and Neha Shivran - Chief Data and Analytics Officer.

With that I invite Ranvir to share his perspective on the business and our performance during the period, following which we will take a Q&A. Over to you Ranvir.

Ranvir Singh: Thank you Chirag. Good morning, everyone. And as many of you know, we operate under the brand name KisshT and today is the first time we address our shareholders as a listed company. Having achieved this scale and completed our listing is in many ways a testament to the proposition we have built for our customers.

We are a digital lending company, offering a convenient and dignified borrowing experience - one where a customer can avail a loan in as little as 5 to 10 minutes, entirely through a 100% digital process. This is made possible by AI and ML models

refined and tested over several years, trained on the behavior of over 60 million registered users, and a relentless focus on collections.

We operate PAN India, while 81% of our borrowers come from the top 100 cities. Nearly half our portfolio is salaried customers, mostly young people with average age of 32 years. Our average CIBIL score of our customers stands at 746. We have served over 11.76 million unique customers till date. The loan that we offer, almost 45% of the loans are taken for business purposes, 30% for consumption, 15% for emergency purposes, while 10% for other purposes.

The global environment has been one of the defining themes of the recent past - higher oil prices, elevated rates, geopolitical disruptions, currency volatility, these are all the factors weighing on India too. And in such an environment, we believe discipline, adaptability, and risk adjustment matter far more than the speed of growth. And at this stage, we believe, Prudence ceases to be a conservative instinct - it becomes a genuine competitive advantage.

Economic cycles rarely announce themselves dramatically, they reveal themselves quietly through small distortions, changing repayment behavior, pockets of stress, and subtle shifts that initially appear isolated. The right response here is not merely to slow down, but to sharpen underwriting, recalibrate faster, and stay ahead as far as predicting risk is concerned.

And against this backdrop, our FY26 performance reflects the strength of the institution we have been consciously building - strong and balanced growth despite a difficult operating environment. AUM grew 73% year-on-year and 19% quarter-on-quarter to ₹ 7,066 crore. PAT for the quarter grew 52% year-on-year and 7% quarter-on-quarter. For FY26, total income reached ₹ 2,209 crore, up 63% year-on-year. Pre-provisioning operating profit grew 54% to ₹ 836 crore, and PAT grew 75% year-on-year to ₹ 281 crore. We delivered a return on average assets of 5% and return on average equity of 24%.

More importantly, this growth came alongside improving asset quality. GNPA reduced from 2.89% to 2.12%, a year-on-year improvement of 77 basis points. Collection efficiency remained above 97%. Net NPA was contained at 0.29%. And this, in our view, perhaps is the most salient part of our performance in FY26. As you may know, growth in lending, by itself, proves very little. What gives us confidence is not merely the pace of expansion, but the quality of the book being built underneath it.

Indian credit behavior remains extraordinarily heterogeneous. Repayment patterns shift across geographies, occupations, local economies, employment cycles, and sometimes even neighborhood-level stress signals. Hundreds of behavioral and economic variables interact simultaneously and in ways that defy conventional wisdom. This is why we place disproportionate emphasis on model recalibration, early warning indicators, and granular data intelligence.

Today, our underwriting stack incorporates over 7,000 variables, which includes bureau, banking flows, device intelligence, transactions, and alternate data. And over the years, it has evolved from being a simple decision-tree model to gradient-boosting model, which is a machine learning technique to transformer-based AI models, reaching an AUC of 74% on our latest model, up from 66% in 2023. AUC is area under the curve. To put this simply, AUC measures how well a model separates good borrowers from bad ones - the higher the number, the sharper the separation. Our models provide approximately 2.5 times more risk separation than traditional bureau-only approaches. In fact, in our investor presentation page no. 23 and 24 elaborates this point with detailed evidence around it. The objective is not merely to identify stress after delinquency emerges - it is to detect behavioral deterioration before it surfaces in the number. For instance, the new customers acquired in FY26 are at FOIR. FOIR stands for 'Fixed Obligation Income Ratio' of 30% - down from 34% the previous year. That 4% improvement means these borrowers are carrying less financial burden related to their disposable income.

As a measure of prudence, we reduced disbursements by approximately 7% and paused lending across approximately 450 pin codes, where early-warning systems flagged elevated risks - while continuing to grow in high-quality segments. This is not a reactive measure - it is part of a regular, systematic exercise we run to ensure we remain ahead on risk. We would rather carry prudence slightly early than discover optimism slightly late.

The first EMI T90, has improved significantly from 1.5% to 0.7% in FY26. Even the April-May performance continues to remain strong on bounces and collection efficiency.

One critical pillar for us is Collections - It cannot be viewed merely as a recovery function, because underwriting alone does not determine portfolio quality. Collections matter just as much.

Today, we have over 7,000 field agents and 1,000+ tele-callers, more than 95% collections remain in-house, covering 17,000+ pin codes with swift field intervention from as early as 5 DPD. On tele-calling, AI voice agents in early-bucket tele-collections are at over 70% of human recovery efficiency. The scale of operation is only possible through our proprietary Automated Collection System.

We believe early detection and local in-person connect is what separates a resilient portfolio from a fragile one. Every day of delay in identifying stress may compound the problem. That is why we have invested continuously in institutionalized collections - which basically means defined processes, swift actions, measurable outcomes, and zero dependence on individual judgment.

Our portfolio metrics bear this out. Collection efficiency has remained consistently stable, closing FY26 at 97.01% on a DPD-30 basis, and improving to 97.15% in Q4,

As I mentioned before, Gross NPA has seen a significant reduction. Further, our bounce rate remains strong at 13.1% and stable across the year, while even April and May remain steady. Equally encouraging is the movement in our Stage-2 book, which reduced from 3.5% to 2.4%. Similarly, Stage-3, from 2.9% to 2.1%. These are not statistical aberrations - they reflect portfolio movement, improvement driven by better borrower selection, tighter geography management, and disciplined collections.

Further, we have followed a high degree of conservatism in our provisioning philosophy too. As of March 2026, our Stage-3 ECL coverage stands at 86.2%. Stage-2 ECL coverage improved sharply from 59.2% in March 2025 to 75.6% in March 2026. We have a total PCR of 86%. In addition, we carry a management overlay of ₹ 136 crore, maintained as a buffer against unforeseen stress.

As far as customer acquisition goes, we have built highly diversified acquisition channels. Despite being a fintech, our reliance on digital marketing remains limited, contributing less than 50% of overall customer acquisition. There are other channels which contribute almost 55% of the customer acquisition, which includes our partnership with merchants, e-commerce platforms, aggregators, and a growing organic channel. Organic share in our acquisition is as high as 30% and growing steadily. The association with Sachin Tendulkar has accelerated brand trust, particularly in the mass-market and mass-affluent segments, where his trust equity runs deepest.

Talking about technology and AI, I should say, Kissht is a technology company that does lending - not the other way around, a lending company that uses technology. All core systems are built in-house, with AI embedded across underwriting, fraud detection, collections, servicing, portfolio surveillance, software development, and so on and so forth.

In a business generating millions of behavioral signals daily, AI functions more as a precise filter - continuously isolating weak signals from statistical noise and directing institutional attention where it actually belongs. For example, as far as AI in underwriting and fraud management go, we have deployed transformer sequence models, multi-agent fraud intelligence, and a GenAI-augmented feature store that now monitors over 7,000 features for causal drift. Our multi-agent fraud system orchestrates over 50 fraud triggers and covers deep fakes, document forgery, text analysis, multivariate anomaly detection, and network fraud.

Across the organization, measurable productivity improvements are already visible. AI-assisted customer support now delivers 100% call-quality coverage, and average response time from 200 seconds to under 90 seconds. More than 80% of our internal code is now written with AI-assistance. Further, in LAP 'Loan Against Property' business, AI-powered smart document processing has improved FTR (First Time Right) rates by over 30%, while credit queries down by 50%.

Talking about our secured business, we started Loan Against Property around 2 years back, not simply because diversification is strategically sound, but because we wanted to serve our customers in a wholesome manner. More than 40% of our LAP customers come from our existing Kissht customer base, an organic demand from people who already trust us.

This further helps us in our branch economics also. LAP AUM stands at nearly ₹ 518 crore, across 98 branches in 8 states, contributing 7.3% of total AUM. Fully technology-enabled, model-based underwriting, branch-led fulfillment, smart document processing, AI-validated property valuation. It's not the standard plain vanilla that we are trying to build as far as LAP business is concerned.

On the liability side, we maintain a balanced and diversified funding structure, almost 50% on-book and 50% off-book. On-book AUM stands at ₹ 3,556 crore, supported by 45+ lending partners, where cost of borrowing has been between 11.5% and 14.25%.

With our recent A- credit rating in February 2026, we expect funding costs to ease meaningfully over the coming quarters. Off-book AUM stands at ₹ 3,510 crore, where we provide FLDG up to 5%, which is the First Loss Default Guarantee. In our NBFC, which is a 100% subsidiary of OnEMI Technologies, Capital adequacy remains comfortable at 25.3%. Net worth has grown to ₹ 1,343 crore - 2.4x increase over 3 years, almost entirely through retained earnings and organic profitability. This will be further bolstered by the ₹ 850 crore IPO proceeds being deployed 75% towards on-book capital and 25% towards technology and AI infrastructure.

Before I speak of our listing milestone, I want to address our margin trajectory because it tells an important story. Our total income yield as a percentage of AUM has moderated, and this is a deliberate and conscious strategy. As we pursue higher-quality borrower segments and pass on the benefits of operating leverage and lower funding costs to customers, our near-term yield compression is expected.

But the payoff is visible - our impairment cost as a percentage of average AUM has fallen from 9.7% in FY25 to 8.2% in FY26 and in Q4 alone, it stood at 7%. Lower impairment for better credit selection - this is exactly what we are managing towards. Profitability, in our view, is more durable when it comes from quality, not volume.

FY26 marked our first year as a listing company - we listed on NSE & BSE on 8th May this year, oversubscribed across all categories. As much as getting listed is an inflection point in the journey of any company, we also believe listing sharpens an institution. It demands the highest standards of transparency, consistency, and governance. And public markets have a way of rewarding what we have always believed in: that the best way to deliver the short term is to never compromise the long term.

As we look ahead to FY27, we remain optimistic about India's long-term structural credit opportunity. Many reasons for that, not only economic growth that the country will see, but also the huge degree of credit under penetration which exists, while at the same time being realistic and cautious about near-term conditions.

Talking about future guidance on growth:

We expect to grow at north of 40% in AUM, with disciplined asset quality and calibrated risk selection, while secured business scale-up is also expected to be strong.

On asset quality, we are targeting gross NPA below 2.25%, year-on-year reduction in impairment costs of 10%-15%, and continued improvement in Stage-1 mix.

On profitability, we are targeting a return on average AUM in the range of 4.5%-5%, which entails a return on average equity in the range of 19-21%.

In conclusion, I would say we are not building for the next quarter, rather, we are building for the next decade - with sharper judgments, stronger governance, deeper technology, and a balance sheet designed to compound through cycles, not merely benefit from favorable ones.

Every great lending franchise is ultimately defined not by its best years, but by how it behaves in difficult ones. We intend to be the kind of institution that customers trust more when times are hard, and that investors respect more when the markets are demanding. That is the standard we are holding ourselves to.

Thank you.

Moderator:

Thank you very much sir, I hope you're ready to take questions now. Participants who wish to ask questions can do so by pressing the raise hand icon on the bottom of your screen and wait for your turn to speak when prompted. You can accept the prompt on your screen, unmute your audio and ask questions. Participants who wish to ask questions via chat can click on the Q&A icon at bottom of your screen and post your questions, requesting the participants to introduce themselves and their institution name and then proceed with the question.

We will take the first text question from Prithviraj and the question is on rating trajectory. You are currently at A/stable with the post IPO tier 1 uplift demonstrated profitability. What's your engagement with rating agencies on a potential upgrade and how much could a one-notch upgrade reduce your cost of borrowings?

Krishnan Vishwanathan: Hi, this is Krishnan here. Good to meet all of you. So, from the rating standpoint, Crisil rated us A- in February of this year. India Ratings rated us A- in November of last year.

There is a constant engagement which is going on. The constant engagement with both these institutions not only talks about the continual improvement on risk that Ranvir spoke of, but of course the improved balance sheet strength that we have now after the IPO.

We are cautiously optimistic on getting another upgrade from both of these institutions at some point in FY27, but that is an active discussion that will happen with the course of next 6 to 8 months. Irrespective of that, the rating upgrade from Crisil that has already happened in February, we are already seeing a 200 bps improvement in the marginal cost of borrowing since that point in time and which we are certain will sustain for following year. And of course, if we are able to get one more upgrade, we can possibly see later part of FY27, but more so in the year FY28, a further 100 to 150 basis point reduction in cost of borrowing.

Moderator: Thank you sir, for answering. Sir, Mr. Prithviraj Patil is available on audio. I would request you to kindly unmute yourself and proceed with your further questions.

Prithviraj Patil: Hi, thanks for the opportunity. So, my second question was on the AUM mix. So, right now our secured AUM is around 7% of the total AUM. So, I just wanted to know what is the target for the next couple of years that we expect and how will ROA flow through given that we are increasing the secured mix? Thanks.

Ranvir Singh: Yes. So, as we mentioned in the initial remark, even the secured mix we are expecting to increase, the scale-up will happen. The overall growth, both secured and unsecured put together will be 40% odd. Despite the fact that secured is at a lesser ROA, the ROA guidance that we have given of 4.5% is for the overall book. Over time, we believe secured business will deliver almost the same 19% to 21% ROE for us as well.

Prithviraj Patil: Okay. Thank you. And just if I can ask one more question, I just wanted clarity on one press release that came out about a whole new subsidiary that we have infused capital in. So, just on that. Yes.

Ranvir Singh: Yeah so, this is regarding as part of our RSP also we have stated one of the cardinal principles of our strategy is to continue to expand lending and non-lending offering. When I say non-lending offering, it includes insurance and mutual fund distribution because our customers are demanding it; there is a huge opportunity out there. Now, it so happens if you have to distribute mutual fund, it is best done via separate entity and that is why we have created this fully-owned subsidiary for selling mutual fund and other wealth products primarily.

Prithviraj Patil: Okay. Thank you.

Moderator: Thank you. The next question comes from Kevan Faria. Please mention your organization's name and proceed with your question, sir. I have unmuted your line. Please proceed with your questions.

Kevan Faria: Hello, sir. Congratulations on a good set of numbers. My first question was regarding your AUM. Sorry, sir. To introduce myself, I am an individual investor in your company. My first question was regarding your AUM acceleration. So, your AUM grew by 19% QoQ. My question was what is driving this and is this momentum visible in your April to May organization's run rate?

Ranvir Singh: The short answer to your second question is Yes, the same momentum is visible. The part which is driving this growth is a relentless focus on ensuring we are able to target high-quality customers. It basically means going after customers, where we have to reduce our rates. So you may have also seen in QoQ we have seen a slight reduction in our margin. But that is a very deliberate, conscious, concerted strategy from our side to go out and target customers who are high on quality, who we can target as we basically offer every better our offer. More importantly, the other reason which has contributed is given the large base of customers that we have - 11.76 million unique customers, 3.5 million are active at any point in time. That does give flexibility in terms of targeting the customers who come as repeat customers and they ensure that the growth trajectory is only stable. When I say stable, if you look at the historical growth in the past, it has always remained upwards of 50% any particular year you can pick up. So, that has contributed rather meaningfully to last quarter and continues the momentum now too.

Kevan Faria: Thank you so much, sir.
My second question was regarding your asset quality and Overlay. So, your GNPA improved by 78 basis points QoQ to 2.12% and Stage-2 ECL coverage also stepped up sharply to 75.6%. So, my question is that what's really driving the Stage-3 improvement?

Ranvir Singh: So, this is the point I made earlier as well. We are committed to reducing our Stage-3 over time. We have seen a 77-basis point. In our guidance, we have said we will further reduce our overall credit cost by 10 to 15% which will keep the Stage-3 again very much stable. So, this is primarily around focusing on high quality customers, continue to improve on the quality of credit on the back of the huge set of models that we have built using data of over 60 million customers and needless to say the

relentless focus on collection that we talked about, have all contributed to keeping the GNPA numbers well within lower than what we started.

Kevan Faria: Thank you so much, sir. That answers all of my questions. All the best for the future. Thank you so much, sir.

Moderator: Thank you. The next question comes from Ayush Vaid. Please mention your organization's name and proceed. Mr. Vaid please proceed.

Ayush Vaid: I am Ayush from Neo Asset and Wealth Management. So, my question is, in the LAP segment, I could see the LTV at 48%. So, is it a conservative stand that we are taking or is it going to increase in the future?

Ranvir Singh: Yes. We have been conservative when it comes to LTV. We don't expect it to increase significantly. It will be range bound in and around 48%. And the reason for that is as follows. When we have built the LAP proposition, our proposition is around giving a very superior turnaround time. A large portion of our customers are tier 1 city customers, so when we are giving a loan of ₹ 6 to ₹ 10 lakhs, for example, we are talking about property which values between ₹ 12 to almost ₹ 25 lakhs. And what we offer to the customer is our ability to underwrite quickly and underwrite to the requirement that they are looking for, that becomes our core proposition. Because of all the things which I talked about very tech-enabled processes, you know, the credit queries have come down by 50%. It's a process where a whole set of technology, you know, enablement that we have done. So, the proposition is more around better turnaround time and a better offer. And when we offer this, the idea is not to take too higher a risk as far as LTV is concerned. So, I know these are conservative numbers and they will continue to remain conservative in a range of manners.

Ayush Vaid: Okay. Thank you. I have just one more question. So, regarding the off-book AUM, is the 100% of the off-book AUM covered by FLDG or is it only some part of it?

Ranvir Singh: Almost 100% of the off-book AUM is covered by FLDG.

Ayush Vaid: Okay. Thanks. Thanks for that.

Moderator: Thank you. We will take the next question from Subhranshu Mishra. Please mention your organization's name and proceed.

Subhranshu Mishra: Right. Hi, Yes. Thanks for the opportunity. This is Subhranshu from PhillipCapital. Hi Ranvir, Hi Krishnan. So, two or three questions. The first one is the, what is the total number of monthly NACH that we produce? How many, essentially, how many borrowers are we banking on a monthly basis? And of these, how many borrowers already have one personal loan or two personal loans or three personal loans? The other part is, when we talk about the FLDG, is it only limited to 5% or then there are lender partners who try to tweak the IRR even if we breach 5%? These would be my two questions as of now. Thanks.

Krishnan Vishwanathan: So, let me address. The first question is on NACH. 100% of our customers are NACH covered. So, at any given time, we have our active customer base is 3.5 million. So, we have about 3.5 million NACH presentations that happen every month. So, that's the answer to your first question.

The second question on FLDG, no, our exposure to risk is to the extent of the FLDG provided. Now, it could be that there are, of course, discussions that happen with the lenders on what is technically the expectation they will have in terms of their hurdle rate. Now, they may build in some expectation if they are not convinced whether the FLDG is covered or not. But from a structural perspective and contractual perspective, the risk is capped at 5% and then it's an active negotiation on what is it.

Subhranshu Mishra: Sorry, my second question was how many of our active customers have one personal loan, two personal loans, three personal loans already?

Krishnan Vishwanathan: Sure, So, I don't have a split for each one of the categories. But some 45% of our customers will have another personal loan outside of our personal loan. I don't have the specific split of one, two or three.

Subhranshu Mishra: Right. And just one follow up on this particular part. This personal loan would be more than our average ticket size.

Krishnan Vishwanathan: Sorry, the second personal loan you are talking about?

Subhranshu Mishra: They already would have. So, if I already have a personal loan and I am coming to Kissht for a personal loan, my personal loan ticket size is more than what you would offer. Is that a fair understanding?

Krishnan Vishwanathan: That's a very, very likely scenario. Because invariably what we have seen is the other personal loan is typically taken from a larger institution of a larger ticket size. And so, it is typically that it's of a larger ticket size than what we offer.

Subhranshu Mishra: Right. And if I can just squeeze in one last question, if you allow me. We have also pivoted towards a secured asset, which is LAP, while we call ourselves digital lenders. So, why this change of heart and move to a pivot towards LAP when we started our journey with personal loans? What is changing?

Ranvir Singh: Yes, let me just take this up. See, as I mentioned in my remark as well, for us, LAP is not merely a diversification. But the reason we pursue this is because our customers are demanding. When I say our customers are demanding, the large base of customer that we have, every year they take a significant amount of LAP, which we are not able to cater to. So, the focus has been that we should go beyond just PL and cater to them on this product also, which they need. Of course, they need other products as well, but we have defined our pecking order. The testament to that is more than 40% of our LAP customers come from our existing Kissht customer base, which is very, very organic demand that we are getting in. And as you know, this helps in branch economics significantly because for that 40%, I don't need to go out and incur a cost of customer acquisition. This is very much in line with our long-term strategy over a period of many, many years. We want to expand our lending and non-lending product. Not talking about and as part of that, LAP becomes a priority for us. The LAP business is branch-led, needless to say. We have 98 branches. But having said that, there are processes that one follows in LAP.

Subhranshu Mishra: Understood. This was very helpful, Ranvir and Krishnan. Look forward to ensuing quarters. Best of luck.

Krishnan Vishwanathan: Thank you.

Moderator: Thank you. We will take the next question from Devanshu Dhruv. Please mention your organization's name and proceed.

Devanshu Dhruv: Yes, am I audible. I am from Equirus. My first question would be that what was the reason for increase in OPEX and Q4? Was it primarily due to increasing our operations in the LAP segment? And why was the other income lower sequentially in this quarter? That's my first question. Then I will go forward with other questions.

Krishnan Vishwanathan: Okay. Let me address the OPEX part of Q4. So, there were largely two drivers of increased OPEX in Q4. One, as you rightly mentioned, LAP is a significant driver. LAP continues to be a business which has not reached breakeven. And we are still probably a year or two away from being at steady state ROA. So, that definitely is a drag. And the increased number of branches, of course, puts a load on OPEX. Apart from that, there is one other driver. There was a reasonably large investment we had made in the collections team in Q4, with a specific intent to build on recovery collections in FY27. So, it's an investment which basically is a one time. There is always, when you grow the team, you have to deploy and train. And then they are basically used in subsequent quarters. So, that is the second driver. So, together, these two were the key drivers why the OPEX increased in Q4.

Devanshu Dhruv: So, collection team, basically, I think we have already 7000 people.

Krishnan Vishwanathan: Yes

Devanshu Dhruv: So, we increased on the field side or on the tele calling side?

Krishnan Vishwanathan: More on the field side.

Devanshu Dhruv: And why you saw the need on that? Any particular reason?

Krishnan Vishwanathan: Because there is a natural growth that is going to happen in terms of AUM. There is already a projection that will grow at 40% plus as Ranvir had mentioned. But moreover, there was an emphasis we wanted to place on NPA recovery & therefore, we created a dedicated team specifically for NPA recovery.

Devanshu Dhruv: Okay. So, my second question would be that what was our yields in this quarter, average yields? And one is on the book and one is on the origination. And where do you see the settling? Also, can you give me our yields in the last quarter? And yes, that is it.

Krishnan Vishwanathan: So, our portfolio yield is close to about 30 or 31% in Q4. And you asked about last quarter, the last quarter may have been higher by, I would say, 50 to 75 basis points. So, there is a trajectory where it is going lower, but that is the answer. Going forward, there are basically from a unit economics perspective, we see two immediate benefits that play out and one which is always a constant endeavor. The waited benefit is the operational leverage and the other is the cost of funds improvement. We believe both

of these will give us a healthy headroom for further reduction in yield over the next four quarters. I do not want to give a number, but you would see the trend that you saw from Q3 to Q4 is a trend, it will be, I think, very symbolic of the kind of trend you may see going forward as well.

Ranvir Singh:

Hey, just to expand on this, because this is a very important element of our strategy. I mean, the moderation and margins are substantially linked to a very calibrated shift towards high quality customer segments, which of course is priced lower, but they also exhibit a very superior long-term credit behavior. This is not incidental, it is a very deliberate strategic direction in which we are going. And just to reiterate the point, as we get the benefit of operating leverage, we get the benefit of reduction in cost of fund and the reduction in the risk all put together, we want to transmit some of these benefits, a large part of it to the customer. And because we are transferring, the people who are coming at lesser yield are also bestowing a credit behavior which is far, far superior. Basically, to ensure that we see a steady decline in our credit costs as we pursue from here over the years.

Devanshu Dhruv:

Very, very fair, Ranvir. That is quite fair. But just to understand, so our origination yield in the April-May months, what would be that?

Krishnan Vishwanathan:

So, it would be probably a few basis points lower than what I had stated for that, because I do not have the specific number right now, I do not want to share it.

Devanshu Dhruv:

Where do you see that going? So, Krishnan, I just want to understand, where do you see that settling? Obviously, we are passing on the benefit to the customers, but is there a number in mind where we think that?

Krishnan Vishwanathan:

Devanshu, the way we see it, we want to be very prudent in terms of managing credit quality and delivering an ROA which is in the ballpark of 4.5 to 5%. In terms of where we see it settling, you saw from Q3 to Q4 is likely a trajectory that will sustain itself for the next four to six quarters. But that said, for us, some of the benefits that come from operational leverage or cost of borrowing may be far higher than what we had anticipated. So, it could be more accelerated as well. But the way we see it, any margin improvement we see on ROA, we want to give it back to the customer, go for the higher quality customer and in the long run even benefit from a lower credit cost.

Devanshu Dhruv:

Fair. So, on the spreads, so better question would be the spreads that we have, how much, so obviously, we will get the benefit from operating leverage, cost of borrowing

and obviously, we will pass on the yields also. So, what is the average spread that we seem to maintain in the near term is my question.

Krishnan Vishwanathan: So, our average spread would be in the ballpark of I would say 14 to 16% in the longer, I would say if I go forward three to four quarters.

Devanshu Dhruv: That is what we maintain, right?

Krishnan Vishwanathan: So, I want to be clear, the spread you are saying is NIM spread or just want to be clear, when you say spread, what do you mean by that?

Devanshu Dhruv: Yield minus the cost of borrowing.

Krishnan Vishwanathan: Oh, yield minus the cost of borrowing will basically be closer to about 18 to 19% in the near term and in the longer term, it will be, it will reduce, like I said, yes.

Ranvir Singh: One more thing, I think Krishnan has already mentioned, but I will reiterate. The way we operate here is we try to run the business with a firm confidence on delivering the ROA and the passing on the benefit to the customer happens more as a, once we know that the risk is also playing out, the new cost of funds that are at a lower rate and we know our ROAs are fully, fully secured, then we pass on the benefits. So, there a lag of passing on the benefit only after we have ensured the ROA is in no situation jeopardized. And that is why we are able to give a guidance on both ROA and ROE in as common term as possible.

Devanshu Dhruv: Fair. So, the guidance just to reiterate is for FY27 alone, right?

Ranvir Singh: Yes.

Devanshu Dhruv: Okay, so last question from my side, sorry. So, our disbursement in Q4, the quantum of disbursement in Q4 was what amount? What was that in Q3 and what are we targeting in FY27?

Krishnan Vishwanathan: I am just, the disbursement in Q4 was ₹ 3,954 crores, it is in the fact sheet and the Q3 of FY26 was ₹ 3,113. We do not want to provide a guidance on disbursement for FY27. The reason for that, Devanshu, is that our guidance is for AUM growth, that is what we see as a fulcrum in terms of scalability and the disbursement is an outcome that will be derived because there is always an inching above tenure that happens as more and more repeat customers come to us, typically the repeat, the tenure of a repeat

customer is higher than his prior loan. Second, as we go down the, go up the value chain rather to higher quality customers, they invariably require higher tenure and higher ticket size loans. Therefore, you will see an increase in the tenure that happens, that is why we do not provide disbursement projections. Our guidance is on AUM side because ultimately that is what we believe will drive value, embedded value for the organization.

Devanshu Dhruv: That is quite fair. So, all the best to you Krishnan and Ranvir and best of luck for the next quarter. Thank you.

Krishnan Vishwanathan: Thanks, Devanshu.

Moderator: Thank you. The next question is from Manish Oswal. Please mention your organization's name and proceeds.

Manish Oswal: This is Manish Oswal from Nirmal Bang Securities. Thank you for the opportunities. My question is on the competitive landscape in the personal loan and the LAP segment, there are many players like Bajaj and they are also moving to the digital platform. So, where do you see your competition in the target segment or the key players who compete in your segment?

Ranvir Singh: So, on the competition side, as we have mentioned in our RHP also, there are players like Bajaj, Chola, many other players. They have had different level of focus as far as personal loan is concerned. For us, we have built in the same competitive environment. The large base of customers, if you ask what is our competitive edge over not only one or two names that I have mentioned, but many players in the market, it actually comes because of two very, very distinct things. First and foremost, a demonstrated credit performance, which is coming on the back of all the AI, ML models and all the things which I talked about on collections and that has really kept us in the good stead for the segment that we operate in. Secondly, given the large base of customer that we have, it does allow for a scalability, not only coming in form of repeat customers, but also in the form of you can further select within that high quality customers, which will ensure customers will not only give you scale, but also deliver a credit behavior which is far, far superior. I think these two things which truly, truly stand out when it comes to talking about our competitive advantage compared to many, many other players in the market. Having said that, there are many other smaller points also. For example, the way we acquire our customers, which is, as I mentioned in my opening remark, it's a combination of not only digital lending, but a

whole host of other captive channels that we have, which is on the back of the partnership that we have built with physical merchants, with online merchants, aggregators. Last but not the least, even the contribution coming from organic channels, which is where we don't incur any cost of customer acquisition has also increased. So, I think the combination of very, very high focus on being able to maintain a quality as far as credit goes, plus also the large base of customer, which almost gives a high degree of certainty on the growth and the scale going forward is truly the competitive advantage that we start.

Manish Oswal:

All right. And the second question I have is basically the core KPIs like number of customer growth versus the number of product penetration within the existing customer base and any other product which you want to introduce to our customers. So, how do you see the long-term strategy on these parameters next to three to five years' perspective?

Ranvir Singh:

Yeah. No, so thanks Manish for asking this. Absolutely right. We have to take a five-year view as far as multiple product offerings are concerned. We are hugely focused on personal loan. We believe we have demonstrated, scaled up and we are very well prepared to go for a next level of scale up on the back of all the things which I mentioned, particularly around credit quality. But beyond this, we do want to focus on other lending and non-lending products. They are not immediately in the horizon. The only thing which is in the horizon is the LAP. We started two years back after many, many pilots, many, many sample experiments that we ran, we launched this business. We are also a believer on doing few things and doing it very well as against spreading ourselves thin and start offering all and every product. That is not our strategy. We will add more products but the focus is to do that over several years, not immediately. By the time we would have scaled up even our LAP business in a meaningful manner while our peer business continues to grow at a significant rate. In terms of consideration of products, these are the same products which are available in the market but we want to offer in a manner where technology and the customer stickiness can play a very big role. So, beyond personal loan and LAP, as we think about next five years, the other products in the consideration list would primarily be gold loan, business loan, education loan, so on and so forth. But that is something that we will only focus on later in the coming years. In addition to that, I should also say there will be a natural cross-sell that we will do, which is of a fee-based product, which basically means insurance and mutual fund distribution primarily. But that's more an adjunct and a cross-sell to our existing list.

Manish Oswal: All right, sir. Thank you very much for answering my question. All the best for the coming quarters.

Ranvir Singh: Thank you.

Moderator: Thank you. The next question is from Abhi Shah. Please mention your organization's name and proceed.

Abhi Shah: I am Abhi Shah, from Sindhi Technologies. So, most of my questions are answered. I have some few questions regarding GNPA. So, as you said, you are going towards high-quality customers. But your GNPA has been rising from 0.79 to 2.89. Yes, it has decreased over the quarters. But why is there such a reason for such high GNPA shoot-up in two years? And my second question is regarding the LAP growth. So, how many branches or branch expansions are you planning for this financial year?

Krishnan Vishwanathan: Let me take the first one. Ranvir, you can take the LAP question. Abhi, the reason why the GNPA shot up from 0.79 to 2.9 is more a technicality. There was a time where we would write off earlier at 120. And basically, after active discussion with our auditors, given the kind of recovery we used to see before, our write-off period was extended to 150. So, it was more a technicality of when we write off the loan, which changed, that caused the spikes that you see. It is not anything to do with the credit quality improving or worsening. It was more that technicality. Now, it has been 150 for now two years. And what you see is the consistent behavior of our GNPA since that point in time. I hope that addressed your query.

Abhi Shah: Yeah.

Ranvir Singh: On the LAP business, today, we have 98 branches. We plan to have at least 80 more branches by end of this financial year. Given the LAP business is still very small, 7.3% of the total, it may continue to remain a small portion for FY27 as well. That is also because our personal loan is going at a decent rate. Again, having said that, the LAP branch expansion will be a very calibrated response. It is while taking into account, we are deepening into geographies where we are present in. And these geographies are primarily Karnataka, AP, Telangana, Tamil Nadu, and also UP and Maharashtra. So, those are the places where we are already present. But the focus would be on having a very calibrated branch expansion while ensuring we are able to achieve all our desired outcomes in terms of branch profitability, the early signs of risk, which will go into getting to these numbers.

Abhi Shah: Okay, got it. Thank you.

Moderator: Thank you. The next question is from Juzer Haveliwala. Please unmute yourself, mention your organization's name and proceed, sir.

Juzer Haveliwala: Hello, I am an individual investor. My first question is that you have deployed roughly 75% of the primary issue into Si Creva. So, what's the timeline for the balance 25%? And in addition to that, at your current AUM growth pace, when do you think you will be needing the next round of capital?

Chirag Jain: I can take this one. On the IPO proceeds, 75% of the primary issue, approximately ₹ 630 crore have been already infused as fresh equity into our NBFC subsidiary, which is Si Creva Capital. This is completely in line with the objects we have laid on the prospectus. Further deployment into onward lending is also commenced and is progressing as planned. For the balance 25%, it is earmarked for general corporate purposes and is being deployed in a calibrated manner towards areas that will strengthen the long-term franchise. This includes investment in technology, AI infrastructure, brand building, customer acquisition, and also pursuing the strategic objectives. On the second point around needing the capital, I would say given our current capital position, we are comfortably capitalized to achieve the 40% AUM growth guidance for FY27.

Juzer Haveliwala: That answers my question. My second question was, you mentioned about, a lot of significant AI deployment across underwriting, collections, customer support, and even code development. So, how do you see AI or even automation helping in better risk management?

Ranvir Singh: Neha, you want to talk about?

Neha Shivran: I will take this. This is Neha, good to meet you all. So, AI is showing up everywhere in our risk stack. But if I had to pick up where it is actually making a difference, it's in three places. So, the biggest one for us is underwriting. We have been on a journey from gradient boosted trees to transform-based models. And that has taken area under the curve, which is a model performance metric from 60s a couple of years ago to 74 right now. What that translates in practical terms for us, our internal score is able to roughly segregate risk 5x better.

The second piece is fraud. And this is where the architectural shift has been most interesting. We have moved past the static rules to a multi-agent setup, covering

vision, text, tabular, and graph data. And the agents are actually surfacing new fraud hypothesis on their own when they spot anomalies. In this environment, where fraud patterns mutate every week, that's a different kind of capability than just having a few more checks. And then in the end, there is surveillance. The early warning system that Ranvir spoke of earlier, runs across 7,000 features now and the heavy lifting AI does there is attribution. So, when the portfolio metrics start changing, the system tells us which features are actually driving the shift. Thank you.

Juzer Haveliwala: Thank you. Thank you so much. And all the best for your future endeavors.

Moderator: Ladies and gentlemen, we will be taking the last question for today from Rishabh Doshi. Please mention your organization's name and proceed.

Rishabh Doshi: Hello. I am from Nirmidae Investment Advisors. So, congrats on the great numbers and congrats on your successful IPO. So, I was still confused regarding the quarterly movement between the AUM and the revenue. Our revenue is up around 4-5%. And also like in the KPI handbook, which you have shared, there it seems that the portfolio yield from Q3 to Q4 is up by around 1%. So, just wanted to understand like, is this differential more because of compression in yields or did we lend more during the end of the quarter?

Krishnan Vishwanathan: No, the difference is coming from two reasons. Reason number one is there is a small margin compression & the second is the other income that has also reduced. So, that is the combination of the two reasons why you see a difference between the AUM growth and the revenue growth between Q3 and Q4.

Rishabh Doshi: So, going ahead, will this continue or?

Krishnan Vishwanathan: See, on a quarter-on-quarter basis, what we are essentially committing is are two things. And this is where the belief system is very strong. One is the delivery of ROA. And I will tell you why that intrinsic belief system exists. We believe that India is a very heterogeneous country, multiple consumer segments. The endeavor is to continue to scale to lower yield and higher quality customers. And therefore, as we move through the journey, different aspects, we have the flexibility and this is what the digital infrastructure allows you to do. We have the ability to play around with different aspects of the ROA tree to achieve the objective of stability and reliability of

a ROA delivery. But to answer your question, the income margins, as we have said before, will continue to improve. There is a constant focus on higher quality customers. That reduction in the margin will be compensated with cost of fund improvement, with operational leverage improving the OPEX margin. And of course, over a sustained period of time, the 10 to 15% improvement in the credit cost. So, from a guidance perspective, Rishabh, the growth in AUM, the ROA and ROE are something we are basically what we are standing by.

Rishabh Doshi: Yes. And my last question is in the long run, what do you see as a sustainable leverage ratio?

Krishnan Vishwanathan: In the long run, the sustainable leverage ratio on the on-balance sheet side, I want to basically differentiate our on-book lending and the off-book lending. On the on-book lending, given that it's predominantly a personal loan right now, for us, we see the steady state leverage as being 2.5 to 3 on debt-to-equity. Of course, over a period of time, if the secured book becomes more meaningful, there is the potential of further improving the leverage but that probably is a two-year journey for us. So, on the off-balance sheet side, as you know, that leverage is not a real constraint because the only capital that you block is the 5% FLDG. And therefore, as long as there are partners, off-balance sheet partners who are excited by the retail and MSME opportunity that we provide, we will continue to grow. And I don't think there will be a leverage constraint that will come on the off-balance sheet side.

Rishabh Doshi: That's all from my side. Thanks.

Moderator: Thank you. As that was the last question, I would like to hand over the call to Mr. Ranvir Singh – Chairman, Director and CEO for his closing comments. Thank you and over to you, sir.

Ranvir Singh: Thank you. Thank you all for participating on the call. We look forward to living up to whatever we have committed and building the business on the elements of strategy which I just outlined. Not only I outlined, but which also came up in the questions and answer session. Thank you, everybody.

Moderator: Thank you, members of the Management. Thank you, everyone, for being a part of the conference call. You may now exit the meeting. Thank you once again and have a pleasant day ahead. Thank you.