



“Can Fin Homes Limited
Elara Capital - 01.09.26 (1)
September 04, 2026



MANAGEMENT:

MODERATOR:

- Questioner:** We have done some work , but maybe if we can ask a very simple question upfront. So, we look at various HFCs and we try to see what is the lending yield across the various HFCs. Based on that we seem to be very competitive in our lending yields. Maybe you can help us understand who our customer segment is to begin with, because we know your ticket size and all, it is very good. But when you say this ticket size, who exactly is this customer segment? And in that customer segment, who are the other competitors that we are looking or really present in that segment? So, yeah, could you clarify that?
- Management:** Thank you for the deep insights which you have already taken in our portfolio. To start with, more than 65% of our AUM is based out of salaried profiles, and our ticket size, as you mentioned, is around 30 lakhs ticket size. Basically, the customer segment is having a household income of between INR50,000 to INR1 lakhs. That is our go-to customer. And we mostly finance them for building the constructing their own house and maybe a plot purchase also and building a plot, purchasing a plot or site and then constructing.
- So, that is the key area. And all this customer base is mostly into the outskirts or the fringes of the Tier 1 cities. Our basic profile is not in Tier 1. We don't compete in Tier 1, because in Tier 1, the ticket sizes goes higher. You can't afford or expect a flat nowadays in Bangalore which is not less than INR1 crores. So, that is basically the customer segment which we deal into.
- Yes, there are self-employed and non-professional cases also, which we are also slowly inching up gradually to a certain level of mix just to make the entire portfolio, just to protect our yields in this competitive market. Otherwise, our prime segment is salaried.
- Questioner:** And when you say these are mostly -- so if I understand, it will be Bangalore, but then you will be operating say, outside of -- a few kilometers outside of the city center, and that is where your key customer segment is. And these are self-built homes, right? So, people will be having the plot and construction loan they might be taking?
- Management:** Correct.
- Questioner:** Given that, I think 80% of your loans are through DSAs?
- Management:** Yeah, that is that is true.
- Questioner:** So from the DSA point of view, when he has so many different options to select, what does he really think, this file should go to Can Fin? How does he think, because he has so many options? Which file does he give to us?
- Management:** So, first of all, all our DSAs are very old and loyal DSAs. We have been into this business for more than 30 years, and we know the market, and we specifically cater to a special group of customers and all those people. So, those DSAs know that this kind of file is more suitable to Can Fin Homes, and especially in that kind of ticket size, there are not many options in terms of banks don't enter into that domain. Banks, they mostly work in prime segment. So, our main competitors are Bajaj, LIC Housing Finance, some other maybe...
- Questioner:** Apart from HFC, any NBFCs also?

- Management:** Mostly this Bajaj, LIC, and PNB Housing Finance. So, there we have a service mindset, the DSA approach, the DSA will help the customer to get the file clear. So, that kind of service approach will definitely give us an edge, that is our win-the-customer kind of strategy.
- Questioner:** So, but just trying to understand. When I look at someone like a Bajaj, they have a very centralized strategy. We have a decentralized strategy. Is there a significant advantage do we have from the decentralized strategy or what is it?
- Management:** Definitely, it gives us a very leading edge in terms of quick sanctions. We are the only one, like we are having a zonal and branch-level sanction up to a certain limit of course. Like below INR50 lakhs, the loan is sanctioned, so that improves the TAT. Only after that certain portion of the loan goes to up to zonal level, and very little comes to the RO level, which is our HQ.
- Questioner:** But these branches -- are we for this customer who comes to us? Are we taking -- do we take any call on the collateral, or on the income as well? Because as you said, one is salaried, but for the self-employed, via the DSA, does he know that, if it is Can Fin, then I know I can?
- Management:** So, for self-employed also, we don't do on appraised income basis. All our self-employed customers are selected on the basis of the documented income proof, whether it's GST returns or ITR returns, or some other documented things, not on the appraisal or UPI credits, this is not the scene. So, because of that only, if you see, our GNPA's -- GNPA level has been at a record low level, and not just 1 or 2 years, if you can see the history of the company, it has never gone above 1%.
- Questioner:** So, because if you look at your growth in the last few years, we had a great ROE business. If you look at the growth in the last 3 years maybe, the loan growth has kind of slowed down, right? And then it has kind of -- hopefully, picked up now in terms of what is, but if you just go back and try to understand in the last 3 years, what do you think were the key reasons? Was it competition or what is leading to this slowdown?
- Management:** So, in the last 3 years, I don't know whether you have noticed or not. In 2023, there were some issues, some minor issues in one location, which was not a credit fraud, of course, but there were some operational gaps we found. So, since then, the think tank and the senior management has laid down a very conscious strategy that we'll first build the organization, develop the necessary internal controls, make all the guardrails. Accordingly, we have been changing our IT systems, IT solutions. There is a 100% digital transformation.
- We are moving from just branch, we have added a layer of zone also to check the credits and some sanctions. We have a centralized disbursement team. We have a credit review monitoring team, CRM, which again after the loan is sanctioned they do some kind of sanity checks, some hygiene checks with documentation and all. This is all on the operational part. And we have also started using Maatrum, legal vendors, legal search report, we have automated many things.
- We have come across a long journey in the last 3 years. There, in that period, the growth was a little slow, but if you see, especially the financial year 2025-2026, we have been growing at -- the disbursement growth is more than 20% consistently. Like for 2025-2026, all the quarters were record disbursements in history like.

Questioner: Q1 was also good?

Management: Q1 was also good. So, our digital transformation is 99% complete while we speak. Many branches have gone live into the new CRM package. So, once this guardrails and this controls are in place, we are looking forward to have a steady disbursement growth that will result into a AUM growth, because AUM growth comes with a little bit of lag, so...

Questioner: But did your disbursement growth also slow down in 2023-2024?

Management: In 2023-2024, it did slow down, because of one reason I told was -- and there were some issues in Karnataka with the e-Khata registration, and in Telangana, there were some Hydra project issues.

Questioner: What is that BT out?

Management: Pardon?

Questioner: BT out and all.

Management: BT out is higher, but if you compare with the industry, we are not -- it's not something that we have the highest BT out percentages. It is something which is inherent in this housing finance business, because we don't follow any restrictive practices, the regulators also doesn't want us to do that. So, that way, there are competition who are attracting our customers with a first loan at a lower rate, and then topping up at a higher rate, thereby keeping their weighted average cost at a much higher rate than what we give.

Questioner: So one is on the rate, so we see a competition, right? They launch this entire dedicated segment, which is catering to your ticket size in a way. They are giving better rate of interest or better LTV? What are they really trying to compete on?

Management: So, I would say, none, in the sense, to start with, they will give you a just to coach our customers, they will give a better rate. Suppose if we are giving at 9.11, they will say at 8.75. They will coach the customer. Then suddenly they will give a top-up rate at a much higher rate of say 12% to 13%. The blended rate will be...

Questioner: Sort of teaser loan we can say?

Management: So kind of, these are all these things, but we don't divulge into this kind of activities. We have that parentage and pedigree of Canara Bank, which is very respected, renowned PSU bank. We are also too much regarded by the regulator, like we are most compliant company. Our PVC criteria and all, we follow the basics, and accordingly, to tide over this BT out challenge, we will not say a problem, it's a challenge.

We have introduced certain factors which we will discuss now. But by and large, our principal driver to address the AUM growth thing is our disbursement growth. So, we will continuously grow at 29%, all our 6 zones are growing, they are shown positive growth. There is no challenge in housing demand, or we don't see a stress there. So, once we grow -- and we are expanding,

we are opening new branches, we are opening different method of sourcing, like we have developed our in-house sales team, I think it's covered in the investor presentation.

So, we believe that while we will definitely take some steps to curb or to check the BT outs, like we have introduced some bureau alerts, if our customer is checking somewhere, we'll get an alert that why is he checking, whether he needs extra money, or what is the issue. And there are many other factors like the rate regimes, like sometimes when the interest rate is going down, in that regime, our gap with our competitors become little wider.

But as and when the rate starts increasing, the differential reduces to some extent, because mostly if they are banks and all, then there is a reduction in 1% repo rate, they will immediately reduce the 1%. For us, we can only give it to the extent we have repo-linked borrowings. So, our 50-60% borrowings are bank borrowings, so that margin keeps changing. But again, as I said, we have analyzed our total prepayments and run-down. Out of that, not everything is BT out, rather that is smaller portion, but major thing what we have seen or found is that there are prepayments from the customer.

So, that again takes us to another discussion, whether there is a lot of liquidity with the customer, whether we can tell them or inform them to rather than paying the money, why don't you use our deposit channels? We are a deposit-taking NBFC. So, these measures we are taking, but again, all said and done, our disbursement growth will be the factor which will help us to grow our AUM.

Questioner:

Now, just to touch on the set of changes that you have done on the tech side, right? So, you have that entire slide, of course where you mention all the changes. But can you just elaborate what was the key focus? One was, of course, you wanted to improve the TAT and operational control, but apart from that, what have been the key changes, and how will that really impact the business going forward?

Management:

So first and foremost, the existing legacy system was built in sometime around 2011. So, it was already imperative on us to upgrade without taking into consider anything else, so it was just we have to do it. So, that was the first requirement. Then of course, after some incidents here and there, we have to build the controls. So, we with our senior management, including our sponsor company, they have also looking forward for some good system and all. So, finally, we got an approval, the RFQs were floated.

We identified IBM, who is an expert in this field. So, the project was given to IBM. They, in turn -- they became the system aggregator and got in touch with all the good OEMs, I think the best in industry, like we have taken Pennant system for LOS, LMS, which is used by Bajaj and LIC.

Questioner:

Which one Pennant?

Management:

Pennant Lending Factory. So, then we are using Infor for finance financial accounting, Zaggle for expense management, for risk and ALM, we have done KFT. And apart from this business applications there is a complete overhaul in the security aspect also, the SOC, the NOC, the DR, and all those things, so AWS. So, it's 100%, I would not say transition, it's an 100%

transformation. So, now since, once we have done all these things, definitely it will improve in our productivity. It will help us to release the capacity.

Questioner:

Any processes, because system has changed, but does it require -- you to change any, I don't know, ways of doing business, any changes in processes that you have introduced?

Management:

So, the processes are getting changed, and all these things are not done in one shot, we have not gone big bang approach, right? So, if you see, starting something has been done in Q1, something has been done in Q2, and in the meantime, when we had that old system, that also was upgraded to IVS version 2. IVS is our old system. So, we knew that this is coming, so IVS 2 was already with some kind of a process change, like we were -- it was capable of having integration with Maatrum, with other search vendor and all those outside applications.

We have followed the same approach here. Now, all our platforms are capable of consuming AI inputs also, which if required in future, can be integrated here, and it can work with third-party vendors. So, it's not a closed box that in -- the architecture and the integration of the system is such that it is open for further inputs, and it can talk to multiple vendors and partners. So, as and when there will be a need, once we feel like that, we can implement all those things.

Questioner:

So, what are the biggest workflow changes or process changes?

Management:

The biggest workflow changes, like, we have done centralized disbursement. So, the workflow changes from origination at the branches, then it will move up to the zonal level, from zonal level it will go up to CRM, the CRM will do some changes, and then finally CDD department, which is Central Disbursement Team, that will be able to make the payments.

We don't issue cheques, either it is a NEFT or wire transfer, otherwise it's a issuance of DD, and we are complying with all the NHB guidelines in this respect with respect to charging of interest only after -- so, these things do count in the short term, like it you might see some deep in our portfolio growth and all, but once we have a steady platform and once we are like going ahead, which we are doing in fact right now.

We are we have hit that phase. Come Q2, at the close of Q2, maybe by 15th October, when we come back for our next earnings call, we will be completely online with all our branches, and thereafter we can only chase growth.

Management:

To further add to what he said now, I think what's the biggest thing here is in the existing system, we didn't have everything integrated, automated data flow was not there, for example, like say valuation. For example, say legal scrutiny report. For example, say, any other income tax verification. So, all these things have been incorporated in the new system. So, everything has been automated here.

So, people earlier what we were doing was we were dependent on multiple systems. So, there was a chances of having this process gaps here and there, and accordingly, we would have some type of adverse remarks also in audit. So, that we have eliminated with this introduction of this new system. So everything is in this single platform. Single platform, of course, through API, it

has been integrated through multiple different vendors. Now, having done that, everything is automated, so it is ease of doing business is also there with our people now.

Of course, and as you said, we have not gone in a one go. We haven't gone for that transformation. We have done say 5 branches in the month of July first week, then last month August, we went for around 75 branches. In the meanwhile, we have opened 20 branches. Also, all those are opened in the new platform only. Now again, this week, we are going for another set of 77 branches. So, gradually, we are moving. And the last leg will be completing somewhere in the first week of October. So, that's how it is going.

So, the biggest change what you see is instead of a old system, of course, old system 2011 application was there, however, upgraded model it will be. It will not have that much of capability to go, take away with all type of API integrations, for that matter. And here, during our initial processes only, that was we had added that in the scope part, so now it is having that impact. So, with this, we expect that our processes also will improve, ease of doing business also will be there at our field-level people, at the same time, we will have a better control over the functioning of our system.

Questioner: Does it improve the turnaround time or credit underwriting time, I mean, What is the biggest business impacts? Of course, everything improves, but from...

Management: Right now, up to last 1 month or say nearly 2 months have gone, so we didn't see any business impact as such. Our growth has been normal only. Disbursements, if you see basically, it has been normal only. So, we didn't see. Out of this around, you can say right now around 99 branches are there. So, all these branches are working as it is.

Questioner: And in a 1 or 2 years in the future, what could be the biggest positive impact of this, whether it's...?

Management: So, it will release lot of capacity. Now also, if you go through our -- like I was mentioning, we have developed our sales team. So, without hiring new people, we can in-house -- from our in-house talent, we can release the people from the various functions, various operations towards the sales team that will help us to...

Questioner: Which functions the maximum capacity will be released?

Management: Pan-India, from branches, like suppose 3 people are required or 4 people are required, then one person will be diverted towards 3 teams, that sales team. So, thereby, they will be...

Questioner: Like from 4, you'd only require 3 in a branch, and one can then do sales?

Management: Because of -- this is the same branch only he will operate as a sales team.

Questioner: That's what I'm saying, yeah.

Management: We can spare those guys, because the automation of the system, the TAT will reduce.

Questioner: Right.

Management: So, requirement of that man-hours will be less. In that case, we can have surplus manpower. So, instead of utilizing them or keeping them idle in the branch premises, we can utilize them for the sales team.

Questioner: Have you seen anything yet, or it's too early to say?

Management: No, no, no, we have seen, already we have...

Questioner: The first 5 branches happened in July?

Management: Yeah.

Questioner: And it takes time for people to adopt the technology?

Management: People have been -- we have been doing the training, UATs, so once we go for this pilot branches, we have been working for the entire previous quarter, the UATs were happening. So, they are now used to it, they were only the part of the PI team, the Project Implementation team. So, they are more or less used to it, and we don't see any major disruption in business, maybe some teething issues in the first month.

Just to give you a perspective, the 5 branches which were went down, which have gone pilot, if there was some reduction in business, some here and there, they have done better business what they have done in the previous month. Like suppose if we have gone down in -- they have gone live on in April, if the business was less than March, it is higher than February. So, it takes little bit of time and then they can pick up very fast. So, within the quarter, we'll not see as of now, we are expecting that we'll not see much impact to this.

Questioner: And so within these what are the branches that you are moderating? Any key outcomes that you are seeing? So, one is, as you said, that person, one person you can spare. Are you actually seeing that on the ground in these branches that the turnaround time for applications in these branches has come down? Any numbers on that, like what was it earlier?

Management: It's still too early for that to -- since because we have started this in April, 5.

Questioner: July?

Management: July 5th. And -- but yes, the turnaround time, the TATs have been reduced. In 2 days, everything is done. Now, the ball is entirely with the customer, who has to clear his properties, this title deeds, and documentation. So, prior to that, all the sanctioning and all those underwriting part, all those things are very clean and very fast.

And just to add one more point here, since our 81% of our AUM and right now, the sourcing which is from the DSA. The DSA always comes with a very good file, because they know whatever is required.

Questioner: At their end. They themselves decide, and they know that what file will go through and all?

Management: Correct. So, so the major highlight of this entire activity will be more compliance, more it will enable us to do more research and analysis. We'll do in a compliant manner, and of course, it will release some capacity.

Questioner: Now, just to understand a bit more on, you know, you said that you want to accelerate the disbursement growth or at least maintain the current growth rate that we have been talking about. One is you have been adding these sales people, but what are the key areas, I mean, that we are going to use to maintain this disbursement growth, because competition is always there in business?

Management: Competition is always there. It was always there, in fact, and just there are two principal drivers through which we are chasing our sales growth, disbursement growth. One is, as I mentioned, the sales team, just to give you a perspective, we started this sales team in FY25 with some 30-odd people, the total contribution was INR100 crores. In FY25-2026, we had 85 people, and they have contributed close to INR826 crores of incremental disbursement.

Questioner: Annual basis?

Management: Annual basis. So, for 2025 FY25, our total disbursement was INR8,500, something around INR8,500, in FY26.

Questioner: So, each person would get around 3 files a month?

Management: 3 files a month.

Management: Minimum three files will be there, because keeping in view of our average ticket size, which is around INR28-30 lakhs, so they do minimum what we have calculated so far is they are in excess of average INR1,10,00,000 plus they are doing per month per person.

Management: They are on all rolls. They are not on commission or something basis. So, we give to our DSA 0.4%, so for a INR1 crores disbursement, we give him INR40,000. Similarly here, for 3 files, their salary is around INR36-40,000, with an on-roll kind of stable mindset, so their jobs are secured. They will get us good client, good customer. So, if they are doing...

Questioner: How many logins they do, and how many approval they do?

Management: See...

Questioner: 4 is sanction, 4 is disbursement, meaning...

Management: The number will be quite high. So once they give -- once it is approved in that this thing, since we follow that local sanction concept, so once it is logged in, I think there is no rejection after that.

Management: Even in sourcing files. That is around say 70% or so.

Questioner: 70%?

Management: 70% of the total files brought in are good to go.

Questioner: Okay.

Management: From our sales team and all. From the DSAs, it is, I think, the number is higher.

Management: All put together that is 70.

Questioner: But what is the difference between DSA and sales team?

Management: DSA directly they bring the files.

Questioner: Those are approved rate, 70 is overall?

Management: Of that verification so far we have not done.

Questioner: Which is higher?

Management: Higher will be with -- you can say, it will be a mix of both, sales as well as this. But that verification, we have not done so far. Anyway, last 2 years only we have started it. And rather, if you see, new branches we had sourced around INR179 crores in the FY25, and in 2026, we went to around INR826. And then, of course, up to that first quarter, we had done around INR300 from the sales team only.

Management: And the other driver is our expansion.

Management: This is new branches. Sales figure is 276.

Questioner: But the sales team, how do they source this business? What is their reach?

Management: They will visit the builders. We have approved projects, they will go and...

Management: Yeah, APF, like builder approvals we do. Right now, we are having around more than 330 builder approvals in place. So, they will go there. They will sit with the builders. Take their file will be approved. Then if some customers do come, they will be sourcing that proposals also. They will be pitching in for our proposals, apart from, let's say, local somewhere some new colony is coming up, because see, India is a very diverse type of country, and different type of housing projects are coming in.

For example, say you can't match Mumbai with Jaipur. Jaipur you can't match with again with Lucknow, maybe. So, all these places, different types of shapes will be there. Like in Jaipur, if you see, a lot of housing societies are there based on which housing proposals come. So, if any housing societies are there, they will go there, meet the people, apart from the builder, say, if they are in Mumbai, they will go to meet the builders only. Or some other places because of some colonies coming outside in Pune, for that matter, outskirts of Pune also, even in Bangalore, not many places, a lot of many different channels are there.

Questioner: But we normally don't do so much of construction finance, like for the builder?

Management: Zero. We don't do. That finance we don't do. Builder is selling to the customer.

Questioner: Yeah. So, so then how does a builder, because the builder, of course, has to give priority first to the lender who has given him the construction finance. So, where do we come in the picture for this APFs that we do?

Management: In the retail segment, we'll have -- it's not like that everyone will go to the builder, the customer, the financier who had funded that construction of this thing. There are different types, of course, we don't go for Cat A, Cat B builder side. Maybe Cat B, we go. Cat A, the Puravankaras, the Prestige, we don't go there. So, there are...

Questioner: And these APFs also will operate by the same, the LIC and Bajaj, or there are a different set of, I mean, when we go for this APF, customers where we are getting from the...

Management: So, we this is a new thing for us. We are entering into this market through our sales team. And we have also, with respect to concentration in those buildings and all, we have decided that we will fund 10 units in each project.

Questioner: Another vertical, like we started with our own sales team. And so, historically, of course, we are trying to save ourselves from a DSA vertical. But any reason why, I mean, the DSA vertical is still -- the cost is working out more or less the same, right?

Management: It's more around stickiness of the portfolio. So, when we are looking into -- this also one of the measure by which we can curb BT outs, because at times, the DSAs wants to churn that portfolio again to earn the commission and all, but that's not very much in our case. And definitely, if there is our own sales team, they will bring us new type of customers. We have better choice of customers, right?

In current, in the DSA thing, whatever they bring, we have to select from that only, or we have to fund that. But our sales team will definitely, they'll have a local connect, local touch, new types of requirement, new types of customers, and definitely it will add stickiness to our portfolio.

Questioner: Is there a -- so when we say, look at Karnataka, where we have a significant presence, right? Is there a distinct difference in the type of customer that we see in one branch versus the other? I mean, is there a scope for doing any centralized underwriting as well, because we are looking at good quality customers. We are looking at documented income. So, have we thought of any, you know...

Management: So, there is no major change between the type of customers between North India or South India. The customer profile or the customer segment remains same, household income INR50,000 to INR1 lakhs, ticket size by and large the same. There is little bit of change is that, there are probably more self-employed, non-professionals in South than in North rather, because South is more like salaried-oriented. But to your point, we have this CRM department, centralized credit review monitoring, but there is no differentiation or it's not homogeneous that we can have a centralized credit underwriting department.

As of now, we don't see a requirement for that. In future, if that can be a requirement, we can definitely see. But to your point, we have a one CRM department who is checking all those things to give a go or no-go decision.

Management:

And actually, if you see, just to add to whatever he said, basically, this is our strength. Once we decentralized just like for example, I told you. The markets different cities, different areas, different states, right now we do have presence in 21 states, they all behave differently. So, sitting -- our headquarters is in Bangalore. So sitting in Bangalore, I will not be knowing what is happening in say Jaipur. I will not be knowing what is happening in say Lucknow, for that matter. How new projects are coming. What is the utility? What is the local, because this land are the state subject.

Land is a state subject. So basically what happens, how to approach to that? So, unless and until the man of the moment. So, we do train them. We invest a lot of money in training them, getting them up to date, our relevance of the system, maybe our procedures, maybe our NHB guidelines, maybe RBI regulations, whatever it is, everything is taught to them offline. They are mostly -- we are having experienced guys here.

So, once they get, plus some no-goes are also there, some goes are also there, like for example, legal issues, because ultimately, that is the security that you have based on which you are lending. Your money is, in case of any default, you are going to fall back upon that only. So that aspect, instead of directly seeing here, because here people will not understand that much. So, in that local in-house...

Questioner:

Legal technical is in-house?

Management:

We have consultants, like firms.

Management:

Legal department is there in our headquarter as well as in each zone we have given. Even in some cities also we have given this, for example, in Mumbai, we are having a dedicated legal officer.

Questioner:

But, but you will outsource the legal and the report will then be scrutinized by a legal officer?

Management:

Yeah, yeah, that will be through our empanelled advocates. First, any property comes, sorry, for LSR, then it will be given to our empanelled advocates. From empanelled advocates, it will come, up to a certain limit, only branches are having up to certain limit loan they can sanction. Suppose that amount breaches, in that case, that legal document has to be passed by our registered office only. Channels are there.

But mostly, it will fall under this bracket only. It will come to the zonal legal officer's delegation. They will see and approve this legal report. Once legal report is approved, income criteria anyway we have verified, justified, everything has been done. Valuations anyway we are having, so that way, actually it is our strength that we are having a delegated power in our branches.

Questioner:

And technical valuation? One is legal, the other is technical?

Management: Technical, our people will -- technical only that valuation is there? But see, in property, housing loans, you have only 2 aspects. One is the valuation thing, another is the legal thing.

Questioner: Valuation.

Management: Valuation is all automated. Like you said that, MAATRUM...

Questioner: Is that outsourced and all?

Management: Yeah, it is outsourced, because that is empanelled vendors only. That is empanelled by us.

Management: That is also outsourced in a with using a system, like it will go to different valuers. There is no bias or there is no choice that I will give this because this person is

Questioner: Velocity?

Management: Velocity is this thing. So, system will decide that a new case comes, it will go to you, it will go to you through the system, and he will give the valuation. So, there is no scope for bias.

Management: Risk is also eliminated in the process. That it is not that, suppose if I am favoring you, I will not give all the valuations to you only. System will decide, suppose normally typically in any small branch also, we are having a small branch, medium branch, like that, so in the small branch also typically we will be having minimum 3 valuers there empanelled. So, it is not that I will get all my valuations done through only one valuer. So, that automatically it gets distributed evenly. So, that is one plus.

Questioner: At branch level, what is the attrition rate?

Management: The attrition rate is, I would say, at company level, only is 13-14.

Management: Company level. Entire company level, 13.5.

Questioner: At the branch manager level?

Management: It is not much, because what we have seen rather, just to give you some perspective here rather than the number, like we have been hiring from outside or from schools, colleges and referrals and all those things. So what we see is that, once they reach our premises and all, they realize very soon whether it will work for them or not.

Like many of the people join with a mindset that we will be sitting in the branch and doing some operational job or something, but when they know that no, they have to get these and all those things. So the vintage is important here. If someone is there for more than 3-4 months, they continue, or if that attrition is there, they will move out very fast. So, thereby, the workforce is stable, because if someone is moving out in 3 months, immediately that replacement is found out. And once he is there for 6 months, 7 months, then probably they will continue longer with us.

Questioner: So, do you see a distinction in the attrition rate for, say, less than 1-year vintage versus more than 1 year and in a bit?

Management: No, we see that from where we are sourcing, like, we are taking from school, colleges, or some this thing, that is not working for us. So, we have to take more from the industry, like who has past experiences in doing all these things, so, that kind of workforce are more stable for us.

Questioner: For this fully outsourced FY26, how much was the prepayment, the regular prepayment? So, look, the way I am seeing this, INR38,000 crores was the AUM in FY'25, 2026 it was INR42,000?

Management: INR6,700, less than INR7,000 crores.

Questioner: And then INR10,000 crores was the disbursement. So, I am just trying to understand that gap. What are the various and how much was BT out?

Management: So, BT out is INR400 crores per quarter kind of, INR1,600.

Questioner: Okay.

Management: For the full year. And out of that, INR6,700 was the total run-down, including prepayments and amortization. So, if you see, total run-down...

Questioner: BT out was about INR1,600 crores, and then the regular repayment, the scheduled repayment?

Management: Scheduled repayment is much lower, and there are more prepayments, early extra prepayments like the EMI, because we have been giving that rate cut.

Questioner: You mentioned that when you shifted from that annual to quarterly the policy.

Management: Yeah. So that continues. So that extra payment, how to -- prepayment also, extra payment, and then EMI...

Management: That was the advance payment.

Management: Suppose INR25,000 was their EMI, after the rate cut, we didn't change the tenure or something, then he continued to pay INR25,000, then that goes towards extra principal.

Questioner: You mentioned about the competitors doing some kind of like a teaser plan for them, and then, while their weighted average is still the same as yours, but they...

Management: Even higher in some cases.

Questioner: Correct, higher in some cases, but initially, they will pay instead of 9.1, come at 8.75, and then, over time, they increase it for this thing, for the top-up. How do we manage that? Like, we don't want to do that way, because we are part of Canara Bank, etcetera, but somebody else is doing it, and that is leading to loss of business for us. So, how are we going to manage that?

Management: So, again, that is a challenge for us, but we don't see that we'll have to manage it with by doing something.

Questioner: You're losing customers irrespective?

Management: So, that's why we have...

Questioner: So, you will do the same strategy?

Management: We have to do this bureau alerts and all those things, trying to educate the customer, trying to call out the customer whether he needs any support from us or whether he can...

Questioner: But the sales team of the competitor is extremely aggressive. They're very well incentivized, and they are at the customer's doors till they get converted. Like that's the feedback that we get?

Management: Up to from last quarter, what we have done is we have tied up with our credit information bureaus. Based on that, in any in case of any of our customers, it is ready for any further requirement, so that data comes to us. In that case, we will be contacting them directly. We are having a call center also. Our call center people will be contacting them.

Questioner: When was this started -- last 2?

Management: Yeah, yeah, couple of quarters only it has started. It is based in Bangalore only.

Questioner: How large is the call center team?

Management: 10 people are there around.

Questioner: Okay. And what do they do, I mean, once they come to know that a customer has an inquiry?

Management: They will just ask if there is any further requirement. We will contact the local branch people also to just have a chat with this people in case of some additional requirement is there, or maybe he wants to purchase a new house, maybe. So, in that case...

Questioner: Sir, what if the requirement is like somebody else is offering me a lower rate?

Management: Then we don't go to the discriminating factor.

Management: That we will not go. For example, couple of queries just we received, because anyway started from last quarter. They needed some top-up thing. So, that was coming under our policies and all, so we said, okay, that we can also give, because many people, they will not be aware also. Just for the sake of some knowledge, because a lot of telemarketing is also happening.

Questioner: Correct.

Management: So, in that case, what will happen, they will be lured into that. So, just to avoid that, we have started this project also from last quarter, and in times to come, that I think we will be further strengthening it.

Questioner: But do you expect the BT out rate, this INR1,600 crores, which is BT out?

Management: INR1,600 crores is not the BT out, last fiscal year...

Management: Full year, INR400.

Management: Full year, as of quarter. So, as a percentage, that still remain similar, or...

Management: It will come down with our AUM growth, because now we will chase the AUM, so as a percentage, it will gradually come down. We have done that analysis. That BT out number will not increase as such. Same around that...

Management: Correct. Yes. And see, there are a lot of transparency things and trust with the customer also matters here. As you just asked him whether we give a discriminatory rate just to protect one of our customers, we don't do that. Our incremental yield is 9.81, and our book yield is also 9.81. So, it goes through the cycle, like when we are giving the interest rate...

Questioner: So, maybe the question is not that whether you would give. You will have to stick to your policies and all that. But if somebody else is doing it, and it becomes, like most competitors will do it, then what how do we -- we will suffer, right?

Management: We are having growth? We are having disbursement growth. We are expanding into new geographies, and also, this time also we have done INR10,500 crores of this thing business.

Questioner: So the question is maybe better understanding on the BT out. The BT out happens after what vintage? When you try to understand, like after what vintage the customer completes, whether do we normally see a BT out?

Management: 1 year or 2 years.

Questioner: After 1 year, 2 years, still the BT out happens?

Management: Yeah.

Questioner: But does it make economic sense for the customer just on the rate of interest, or the BT out reason is more LTV, because after 1 year, the charges, all the legal and all that other charges itself will be higher for the customer versus the change of...

Management: Basically, what happens in this scenario, basically, other competitors, they will be offering them with higher LTVs, whereas we are restricted to our original LTV, whatever is there as per our guidelines or the regulator's guidelines. In that cases what happens, they are giving for additional funding also, which we are not going.

Management: They will have some property appreciation over the 2 years, 3 years of time. They will seek some extra loan. So, that takes us to another question, what competitors are doing, maybe that is still classified as housing loan. So, we don't do that. Like our PVC criteria is very strict. We follow those norms. So, see, the regulator is also monitoring all these things very closely. I think last 1 year, so many regulations, so many advisories and these things have come.

Questioner: But competitors continue to be aggressive?

Management: Yes, but they also face the music also, right? Sooner or later, they will have more -- you will hear more news see coming to the market saying that

Questioner: And the BT out is more to other NBFCs, or maybe even PSU banks?

Management: Mostly, our BT outs goes to LIC, because see, our spread, we work at a spread of 2.8, 2.7. For LIC, the spread is 2.3. So, that is insane competition, right? So, we don't -- while we are reiterating that we want to curb the -- we are taking ways and means, like sir said, with various bureau alerts and all those things, we are trying to curb the BT outs, but we'll not go into that insane this thing, because it's a more of a industry. It will keep on going here and there. So, we are growing. We have registered 20 -- more than 20% of disbursement growth, and despite of all those BT outs, we have registered 11% AUM growth.

Questioner: So, the BT out to LIC will be -- do they also give higher LTV, or it is more to do with LIC, because of just the rate of interest?

Management: With LIC, I think it's the rate of interest.

Management: Rate of interest is much lower than what we offer, actually.

Questioner: And with Bajaj, it will be on the LTV?

Management: LTV.

Management: Plus teaser loans.

Questioner: And?

Management: Teaser loan.

Questioner: But PSU banks?

Management: Normally they don't. Maybe one of their cases out of, that will be there, but normally it won't be that.

Questioner: The bigger proportion?

Management: Bigger will be with this.

Questioner: And what they're saying is, mathematically, as our disbursement growth increases over time, AUM growth will also go from 11, will go to 13-14?

Management: So, for this financial year, we are giving a guidance of 14% AUM growth, and by 2028, we will reach 16-17. And that is, by and large, a number which we want to be at. We are not saying that we'll go for 23-24, we want a sustainable and keeping in mind our GNPA's...

Questioner: Cost-to-asset?

Management: Cost-to-income ratio we calculate. Right now, it is 19.5. It will remain in this year around 19.5, because our IT costs are setting in after this quarter or so. In the longer run, it will be around 18, 18.5.

Questioner: Understood. And how do we think about spreads, because now competition is insane, right? So, why don't we reduce our spreads?

Management: We want to operate at a spread of around 2.8, 2.9.

Questioner: Because our ROE is too high. Why don't we slightly reduce our spread to drive higher growth?

Management: Rather we want to change our mix here and there a little bit to maintain that spread, because competition is very steep, so accordingly, if you're seeing that gradually there is a slight change in towards ACNP, because that is little yield-accretive. So, we want to remain in that category of 2.8 and 2.8 spread and 3.8 NIM.

Questioner: When you need to change the mix towards SENP, some amount of credit cost impact should come, right, because it is higher yield?

Management: But as we said that we are going through that documented income proof SENP, and so far with that increase in our incremental disbursements, 57%, 40% are towards SENP in the last year, but since now we have not seen any impact in the GNP, the GNP continues to be lower, in fact, overall delinquency is lower.

Management: And even compared to March also, if you see in the June quarter also, it is more or less flat only. And rather, it has come down. For SMA-1, 2, it has come down.

Questioner: The payouts that we make to DSAs, 40,000 for INR1 crore, I think there's a lot of competition. Many players are paying much more than this 40,000. Do you see that stable, or it should go up?

Management: It should be stable only for us.

Questioner: And going forward, how are we able to maintain this?

Management: This payout?

Questioner: Yes. Because DSAs generally ask for more?

Management: Local DSAs will be asking for that range only. Only in case of corporate DSAs, their range is a little bit higher. So, now, one new thing has come, but again, it is for the prime customers. In our segment, you don't find many DSAs operating there. So, there our DSA enrollment or whatever it is, the continuity with that businesses, it will be as it is. We don't foresee any challenges in that.

Questioner: Any reduction?

Management: No, no, reduction also not.

- Management:** Reduction is not there. Moreover, we will be -- see, right now, we are more concentrated on the DSA business having 80% of the share. So, over a period of time, we want to increase it, decrease this DSA share to around 60%, and then 20% want to increase towards our sale, 10% through walk-ins and maybe 10% through our digital channels. So, that is our long-term vision, maybe 3-4 years down the line we want to achieve it.
- Questioner:** But the cost will still be the -- you feel that, these channels will come at a similar cost?
- Management:** See, it will be a little bit, you can say, some benefits will be accrued over a period of time, because say, for example, right now, our average is say INR1 crores, or INR10 lakhs around per sales person. So, once it increases, say, break-even we have already achieved, in case, because our average ticket salary that we pay for them in the starting level is around 36-38,000 bracket.
- So, in that case, if they are doing a business of INR1 crores, so at least something is getting accrued to our revenue side. So, similarly going forward, once this INR1,10,00,000 increases to say INR2 crores, of course, it will be a little bit first, means, revenue will be added in that. And so, yeah, and moreover, we'll be decreasing that DSA share also over a period of time.
- Questioner:** What about the underlying demand? Is there is there enough demand ?
- Management:** All 6 zones, we have found growth. Except West, North and all, we have more than 30% growth. Of course, also the base was smaller there, but across all 6 zones, we have seen growth.
- Questioner:** And the branches, sorry, branches for distribution?
- Management:** Branches are more focused towards rest of India other than South.
- Questioner:** And what is your benchmark? How many more branches for the year?
- Management:** So, see, this year we had planned to open 28 branches. Up to yesterday, we have opened 20 branches, 8 branches more we will be opening. Next year again, this year we will be ending at around 277 branches from 249. Next year again, we want to open around 24-25 branches, take it more than 300. So, every year, right now, our plan is to add around 20-25 branches minimum, so that our reach is also increased, and accordingly, new branches, if you see, that new fresh business also is accruing for us.
- Questioner:** The growth, can you split between number of unit growth or file growth and ticket size increase? What we are trying to understand, the market is growing when you say, how much of that will actually be housing creation, or how much of that is done?
- Management:** Not much is because of that capital increase, right? You are saying the inflation in the cost of house property? So, just to give you a number, I have that number with me. Around, in comparison to 10,000 in this quarter. In Q1, we have done 11,977 loan disbursements as compared to 10,578 similar to the previous quarter, Q1 of 2026. So, 12,000 compared to 10,500.
- Questioner:** Loan disbursements?
- Management:** Loan disbursements.

Questioner: This is 10% growth in disbursements in terms of volume?

Management: Numbers, in terms of numbers.

Questioner: Then, 10% but it's 20%, so another 10% comes from price or the ticket size increase, I guess, right?

Management: Right. Yes, so INR11,977 loan disbursements for INR2,609 crores, and same number was INR2,015 crores with INR10,500 this thing.

Management: It will be something like 28%, 29%, 30% around, roughly you can say, 28%-29%.

Questioner: But, in your AUM or in your presentation also, we can see you are increasing the ticket size. Are we deliberately targeting higher ticket size, or it's just normal, house price increase? How to think about that?

Management: See, our prime ticket size is INR30-35 lakhs. So only when we do something little bit into the city, some loan here and there, then there is no house available below INR50 lakhs.

Management: But are we purposely targeting those customers?

Questioner: So in that number, right, our disbursement growth was 30%. Okay? Volume increase is 10%. So, therefore, 20% has come from ticket size increase. So, the question is that, is it coming deliberately? Or it is just the same kind of customer, but just maybe the house price has gone up?

Management: House prices have gone up, and the house price is only more there in those areas, because we have branches inside Bangalore also, so when they are doing, say, in 30 km within the branch, so the prices have definitely gone up there in the peripheries of Bangalore.

Questioner: But we are not going deeper to maintain the ticket size?

Management: No, no, no.

Management: That we are not doing, and gradually also, everywhere the ticket size is also a little bit increasing only, because...

Questioner: But we are not moving to slightly more deeper geography where the ticket size remains the same?

Management: No, that we are, so, for example, in Bangalore, if you see, like we have opened 2 new branches this year. So, they are, say, in Chikkaballapur, which is around 30 km from say Devanahalli, means, from the Bangalore airport, that is 30 km far away. So, this type of activities is going on, but it is not deliberate, means, because that is the upcoming area now. Because Chikkaballapur now, a lot of development, housing is taking place.

Questioner: But new branches is only like 10%, most of the business comes from old branches. Old branches, the catchment area, the house price goes up, it..

Management: Automatically, it will increase.

Questioner: But then the competition will also go up, right? Because, for example, PSU banks will not do INR20 lakhs, right? If they do INR30, INR40 lakhs. So, do you see that...

Management: The PSU bank already does more than INR50 lakhs loan. They are not present in that category of INR20 lakhs loan. INR20-30 lakhs loan, PSU banks are not here.

Questioner: When we increase our ticket size, we enter that territory of PSU banks?

Management: PSU banks, you will have one competition there, because the rate of interest what they offer and rate of interest what we offer for that client customer, there is a difference of around 100 basis points, more than 100 basis points, 125 to be precise. So, people...

Management: PSU bank will also grow into their ticket size, no? So, they will go beyond INR1 crores. So, right now, what we are getting at INR80 lakhs, they will go -- there their ticket size will -- now with that respect, the affordable category was say earlier less than INR10 lakhs, INR12 lakhs, now the same thing has become INR15 lakhs, INR20 lakhs. So, it's just a shift.

Questioner: With this change in processes, any change in incentive structure for employees that you have done?

Management: We are working something out on that. And since it is still in the process, so right now, we will not able to, but maybe next quarter something maybe there.

Questioner: For just the top management, or for everybody?

Management: Top management, we don't offer much, so for the branch people, as well as the sales people.

Questioner: That's why we are thinking....

Management: For top management, we give ESOPs

Management: This incentive, we are planning for that.

Questioner: For the sales and branch?

Management: For sales and the branch.

Questioner: Thank you.

Management: Thank you.