HFFCIL/BSE/NSE/EQ/54/2026-27 **Date: 04-08-2026**

To, **BSE Limited**, Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400001. Scrip Code- **543259**	To, **The National Stock Exchange of India Limited,** The Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. Scrip Symbol- **HOMEFIRST**

Sub: Transcript of the earnings conference call for the quarter ended June 30, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter ended June 30, 2026 conducted on Tuesday, July 28, 2026 for your information and records. The Company had referred to publicly available documents for discussions during the call.

The above information is also available on the website of the Company: www.homefirstindia.com

This is for your information and record.

For **Home First Finance Company India Limited**

SHREYANS BACHHAWAT

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Date: 2026.08.04 17:10:02 +05'30'

Shreyans Bachhawat
Company Secretary, Compliance Officer and Head - Legal
ACS NO: 26700

"Home First Finance Company India Limited Q1FY27 Earnings Conference Call"

July 28, 2026

MANAGEMENT: **MR. MANOJ VISWANATHAN – MD & CEO**
MS. NUTAN GABA PATWARI – CFO
MR. SUNIL ANJANA – HEAD, TREASURY AND INVESTOR RELATIONS

This document is a transcription of the conference call conducted on 28th July, 2026.
Click here to listen to the original audio.

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Home First Finance Company India Limited Earnings Conference Call.

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

I now hand the conference over to Mr. Sunil Anjana - Head, Treasury and Investor Relations of Home First Finance Company India Limited. Thank you, and over to you, sir.

Sunil Anjana: Thank you, Alaric. Good evening, ladies and gentlemen, and welcome to Home First Finance Company's earnings conference call to discuss the financial results for the quarter ended June 30, 2026. We hope you have had the chance to review our investor presentation and press release, both of which are available on our website and the stock exchanges. As per our practice, we have also uploaded an Excel fact sheet containing historical data on our website for your easy reference.

From the management, we have with us today, Mr. Manoj Viswanathan, MD and CEO; and Ms. Nutan Gaba Patwari, CFO.

With that, I now invite Mr. Viswanathan to share his insights on overall performance and outlook. Over to you, sir.

Manoj Viswanathan: Thank you, Sunil. Good evening, everyone, and thank you for joining us.

We have begun FY27 on a strong note with healthy growth in disbursements and assets under management, robust earnings growth, stable asset quality and continued investment in our distribution and technology capabilities.

I will start with the business and financial performance.

AUM stood at INR16,938 crore as of Jun'26, growing 25.7% year-on-year and 6.7% sequentially. Disbursement at INR1,628 crore is up 31.0% year-on-year and 3.6% sequentially. Profit after tax increased by 7.0% sequentially and 34.5% year-on-year to INR160 crore, supported by 38.2% growth in Net Interest Income. Return on Assets improved by 10 basis points sequentially to 4.2%, while Return on Equity improved by 50 basis points to 14.5%.

With respect to distribution, people and portfolio mix, during the quarter, we added four branches, one each in Gujarat, Andhra Pradesh, Tamil Nadu and Madhya Pradesh, taking our network to 175 branches and 373 touch points. We made a net addition of 133 employees, largely in customer-facing roles, taking the total headcount to 1,988.

Our origination yield remained healthy at 13.0%. Individual housing loans continued to account for 83% of the portfolio, underscoring the granular secured nature of our core franchise.

Asset quality remained stable during the quarter. Our 1+ DPD remained flat at 4.7%, 30+ DPD remained flat at 3.2% and Gross Stage 3 remained flat at 1.8%.

The branch network continued to deliver strong performance during the quarter. Maharashtra, Gujarat and Madhya Pradesh remained our largest markets, leading overall business contribution while maintaining healthy growth and portfolio quality.

In Tamil Nadu, a strengthened team is building growth momentum while maintaining stable asset quality. Rajasthan, Uttar Pradesh and southern states gained further traction, reflecting encouraging business momentum. The remaining markets continued to deliver consistent AUM expansion with stable asset quality. Overall, the network remains well positioned to sustain profitable growth while preserving portfolio quality.

Technology remains one of HomeFirst's key differentiators, central to how we source, underwrite, service and scale the business. Our digital DNA, built consistently since inception, has created a strong foundation for accelerated AI adoption across the value chain. The same digital-first approach has given us clean, structured data going back to day one - the high-quality training ground that modern AI systems demand.

Our AI strategy is anchored on three outcomes: elevating customer experience, enhancing employee productivity and driving structural cost efficiencies. In line with this, we have operationalized 'Cue', our in-house AI-orchestrated omnichannel customer communications platform.

We have also deployed in production, a bureau analyzer and a contextual bank statement analysis model, which have improved underwriting efficiency and reduced turnaround. AI-led interventions in lead qualification, legal and technical valuation and income analysis are currently in pilot and will progressively move to production as we scale our intelligent underwriting stack.

Under our Green Homes initiative, we have certified a further 100 homes during the quarter, taking the cumulative number of certified homes to 550 as of June 2026.

The affordable housing opportunity remains compelling. Demand across our markets is healthy, and our growth is supported by disciplined underwriting, a granular portfolio, stable asset quality and scalable operating platform. We remain confident of delivering 25% AUM growth while maintaining our focus on profitability, portfolio quality and operating efficiency.

As disclosed to the stock exchanges, Nutan will step down from her executive responsibilities effective from August 31, 2026.

Over the past 8 years, Nutan has played an integral role in HomeFirst's evolution - from a growth stage affordable housing finance company to a scaled, publicly listed institution. Her contribution has helped strengthen our financial architecture, governance standards, capital position and organizational capabilities.

On behalf of the Board, the management team, and everyone at Home First, I would like to place on record our sincere appreciation for her leadership, commitment and contribution to the company. The Board is evaluating candidates and will conclude the CFO appointment soon.

With that, I will now hand over to Nutan to take you through the financial performance for the quarter. Over to you, Nutan.

Nutan Patwari: Thank you, Manoj, for the kind words.

As always, let me now go through the financial performance for the quarter.

With respect to income, yields and margin:

- Total income for the quarter was INR540 crore, up by 18.6% on a year-on-year basis and 7% sequentially.
- Portfolio yield Ex co-lending stood at 13.1%, while disbursement yields was at 13.0%. This reflects continued pricing discipline and quality of new customer acquisition.
- On the liability side, proactive management of our borrowing mix led to a further 10 basis point sequential reduction, bringing cost of borrowing down to 7.8%. Incremental borrowing cost during the quarter remained favourable at 7.6%. Consequently, spread, excluding co-lending, remained healthy at 5.3%.
- Net interest margin was 6.0%, up from 5.9% in the previous quarter.

Coming to operating efficiency and profitability:

- Cost to income was at 32.7%, an increase of 70 basis points sequentially. The marginal increase in opex is owing to increments and fresh hiring, supported by a slight reduction on account of lower administrative expenses.
- Reported operating cost to assets was 2.8%. As we continue to invest for growth, we expect this ratio to broadly remain range bound within 2.6%, 2.7%.
- Pre-provision operating profit was INR224 crore, up 32.9% year-on-year. The growth in pre-provision profit demonstrates the operating leverage in the franchise as the balance sheet scales.
- Profit after Tax increased to INR160 crore, up by 34.5% year-on-year and 7% sequentially. Return on Assets was 4.2% and Return on Equity of 14.5%.

Moving to provisions and asset quality:

- Credit cost for Q1 was 40 basis points.
- Provision coverage on Stage 3 assets was 23.4% as of Jun'26 compared to 23.9% in Q4FY26.
- We continued to maintain management overlays over and above expected credit loss requirements. Including these overlays, total provision coverage was 45.3% as of June 2026, providing prudent balance sheet protection.

Regarding borrowings and funding profile:

- Our funding profile continues to be diversified and cost effective. As of Jun'26,
  - 57% of the funding was from private and public banks,
  - 14% from NHB,
  - 21% from assignment and co-lending,
  - the balance from NCDs, ECB and NBFC.

During this quarter, we executed a direct assignment transaction of INR285 crore. Co-lending disbursements were INR46 crore, taking co-lending book to INR617 crore, 3.6% of the AUM. We remain focused on scaling this channel by strengthening the enabling infrastructure. Co-lending broadens our customer reach and supports capital-efficient growth and productivity.

Coming to capital adequacy and liquidity:

- As of Jun'26, our capital adequacy ratio was 42.6% with Tier 1 at 42.2%. This compares with total capital adequacy of 44.1% and Tier 1 of 43.8% as of Mar'26.
- Net worth stood at INR4,483 crore, and Book Value per Share (BVPS) was INR429 as of Jun'26.

With a strong capital position, a diversified funding franchise, and a scalable operating platform, we believe Home First is well positioned to sustain profitable growth and create long-term value for all stakeholders.

This concludes our opening remarks. We will be now happy to take your questions.

Moderator: Thank you. The first question comes from the line of Kunal Shah with Citigroup.

Kunal Shah: Firstly, encouragingly, if we look at it like this quarter, the growth has been primarily led by home loans. That's growing at almost 7-odd percent quarter-on-quarter vis-a-vis LAP that would have grown at 5-odd percent. Even in terms of the disbursements, have we seen the shift more towards the home loan?

And just a related question, if we look at it in terms of the ticket sizes, that proportion has been rising maybe almost like, say, more than 320-odd basis points over the last 2 quarters. Is it more on the home loan side or this is more on the LAP side?

Manoj Viswanathan: Yes, origination of home loans has been higher and disbursal has also been higher. So yes, there has been a slight shift towards more home loans in this quarter. And ticket sizes also it's largely to do with home loans only. LAP has not been a very strong focus area for the company in any case. We are very focused on originating housing. LAP ticket sizes remain the same. Housing loan ticket sizes have moved up marginally.

Kunal Shah: Sir, in terms of disbursements, if you look at it, like, say, 31% year-on-year, 3.6% quarter-on-quarter, how much would be home loan within this in terms of the growth?

Manoj Viswanathan: Primarily made up by home loans only because as you can see, the LAP growth has been lower than home loans. This largely is coming from the home loan only.

Kunal Shah: Okay. Got it. And the second question is on the employee side. We would have added, almost 10-odd branches over last 2 quarters. Employee count is still going up by more than 280 or so. Obviously, there would be some branch related additions, but then are there any operating centres wherein we have staffed the higher number of employees, either on the collection side, underwriting side, if you can just highlight that.

Manoj Viswanathan: In our case, the structure of the branch is that there is a branch manager and the relationship managers. They carry both sales as well as collection responsibilities. There is no specific function as such. The number of people whom we have added is about 130 in the last quarter. Largely, they will be in the branch function only origination as well as collections, both.

Kunal Shah: Okay. More to see to it in terms of the few branches which will get added have we recruited some people, maybe estimating that there will be new branch additions also which will happen? Is it like more of a front-loading of the employee at the branches?

Nutan Patwari: Not entirely, Kunal. If you were to look at the data, on the basis of 2 quarters that you talked about, we've added 10 branches, and we have added 282 people. But employee per branch in Q3 was 10 and employee per branch last quarter was 11. One new employee per branch is itself 165. And then we have added 4 branches. That takes it to 44 people. Just the sheer addition at 1 person per branch and 4 new branches itself is about 200 people.

Kunal Shah: Yes. In fact, at every branch, we would have added one more guy, be it the RM and the collections.

Nutan Patwari: On an average.

Kunal Shah: On an average. Okay. Got it.

Moderator: The next question comes from the line of Renish with ICICI Bank.

Renish: Congrats on a good set of numbers. Sir, just first thing on the spread side, the incremental spread is now running at 5.2% largely driven by lower cost of funds at 7.6%. Just wanted to understand how do you see the incremental spread moving going ahead? Whether this 7.6% incremental cost of fund is sustainable? Or is there any one-off in this quarter?

Manoj Viswanathan: No, there is no one-off, but the cost of borrowing has come down to some extent in the last couple of quarters. But we are in a fully floating rate book. If there is any increase in cost of borrowing, we will increase the pricing accordingly. We are committed to maintaining that 5% to 5.25% basis points spread. Depending on how the cost of borrowing moves, we will move the rate to the customers as well.

Renish: Do you expect PLR cut in maybe next couple of months?

Manoj Viswanathan: PLR cut is unlikely, I think, at this point because the whole West Asia crisis, etc, is still uncertain. I don't think there will be a cut. At least that's not our expectation.

Renish: Got it. Okay. Then the book spread ideally should converge towards incremental spread, right? Then the imprint trajectory should continue if we are not intending to cut PLR. Is that the right understanding? Or am I missing something here?

Nutan Patwari: Renish, just to add, you talked about one-off first. When you look at the marginal cost of borrowing at 7.6%, it is not a one-off because we have not taken any NHB drawdown. If you see our NHB outstanding was INR354 crore at the end of March. It is INR354 crore at the end of June also.

We actually plan to take that drawdown in Q2. So, there is no one-off in that. The market has moved a lot on the borrowing side, and we will need to keep track of this. So, over time, on a book basis, the right way to look at it is the spreads will remain range-bound between 5% to 5.25%, which is our long-term guided number.

Renish: Between 5% to 5.25% is what you've been always guiding. Okay. Got it. So, in a sense, then these spreads are not sustainable.

Nutan Patwari: 5.40% is incremental. Even today the book spread is 5.30% and our long-term guidance has always been 5% to 5.25%. So, the question of sustainable is a bit unfair.

Renish: Got it. Okay. Got it. Sir, my second question is on the BT out rate. So 4.5% in Q1, of course, is lowest in past many quarters. So how one should read this data point? Is this just a 1-quarter phenomenon? Or do you see sort of competition is rationalizing the disbursement plan and also not trying to gain market share at the cost of spread? How does one should look at this BT out rate?

Manoj Viswanathan: BT out, as we have been talking about it for the last few quarters, we have actually put in place a set of internal processes to control the BT out. Right from branch manager meeting up with the customers who want to do BT out, pitching a top-up to them and things like that. There are protocols and a waterfall of activities that we carry out with each customer, and that has started giving us good results.

But whether it will sustain at 4.5% is difficult to say. Of course, it has been an extraordinarily good quarter in that sense. But yes, we should be able to control it in that 5% to 6% kind of a range. Because it will be the first quarter where we have actually brought it below 5%. So, difficult to say whether that will sustain. But definitely, we have got traction on this process. We should be able to kind of control it in 5% ballpark range.

Renish: Got it. So, nothing to read from an industry landscape perspective. These are all internal initiatives, which is helping us.

Manoj Viswanathan: Yes. Competitive intensity remains the same in terms of BT out, the interest in taking BT outs etc.

Moderator: The next question comes from the line of Nidhesh Jain with Investec.

Nidhesh Jain: My first question is on the ticket size increases. The share of more than INR25 lakh ticket size has increased from 14% to 18% now over the last 1 year. How do you see sustainability of spreads and ROA from a medium-term perspective? That is the first question.

Second is what is the guidance for Opex to AUM for the full year? Because this quarter, I think on a Y-o-Y basis, we have not seen material improvement in cost ratios. So, what is the guidance for full year? Third question is, the co-lending momentum has been weak. What are the reasons for that? And how do you see in coming quarters on co-lending disbursements?

Manoj Viswanathan: On the first question regarding ticket size increase and spreads, what we have been always saying is that the customer segment that we are addressing remains the same. It is just that incomes are going up and aspirations are going up. As a result, the ticket sizes are going up.

We don't expect too much of a spread compression because of increase in ticket size, because at the end of the day, we are addressing the same customer. And if we see our ticket size-wise spread distribution, we don't see too much of a difference between, say, a 25-plus Lakh versus less than 25 Lakh. That is point number one. We are committed to maintaining the 5% spread on an overall blended basis.

Second is on the Opex to Assets, yes, this quarter, there was a slight uptick. But again, there, we should expect year-on-year 5 to 10 basis point reduction. I think full year guidance would be in the region of 2.6% to 2.7%. On co-lending, again, in the first quarter because of change in process and change in the policies of co-lending, there were certain hiccups. But those are getting addressed gradually. We are seeing more and more partner banks now aligned to the process. And those numbers should stabilize going forward.

Nidhesh Jain: Sure. And the last question is, what is the count of active connectors for quarter 1?

Nutan Patwari: 4,187.

Moderator: The next question comes from the line of Rajiv Mehta with Yes Securities.

Rajiv Mehta: Congrats on good numbers. Just wanted to understand this disbursement growth and momentum in the last couple of quarters and when I see even Y-o-Y number, the growth is very good. You just said that it's coming largely from home loan, and we are also moving towards higher ticket sizes. So, is there a volume versus value split available? Is it purely driven by value migration towards higher ticket sizes, the average ticket size of disbursement going up is driving this disbursement growth? Or is there also volume-led improvement, which is your productivity improvement on a per RO basis?

Manoj Viswanathan: Lot of productivity improvement, but there is obviously increase in units as well. I would put it at around 50-50. There is 50% of the growth is coming from increase in units and 50% is coming from ticket size.

Rajiv Mehta: Okay. So, we are seeing that execution on the ground in terms of volume productivity per month, per branch officer or per branch or per loan officer, that is improving, right, for us?

Manoj Viswanathan: Marginally, yes.

Rajiv Mehta: And when I look at your origination spread, so despite the shifting segments incrementally every quarter by quarter, your origination spread for the origination yield is actually stable. How should we understand the competitive environment from a yield pressure point of view? Because the way we are moving towards a slightly higher ticket size, generally a marginal compression should have been expected, but it is pretty much holding on.

Manoj Viswanathan: Yes. That all goes back to the fact that we are addressing the same segment. Customers are facing the same challenges in terms of being unable to get loans from larger lenders, etc. They are willing to pay that premium that we charge. Which is why there is no major compression in the spreads or in the yield. But over time, there would be marginal compression because these are customers who are buying larger properties. For them, interest rate is important.

But that is something which is longer term and which can be addressed through improvement on the opex side. That is why over a longer period of time, we will see a marginal reduction in yields. But that can be compensated on the opex side.

Rajiv Mehta: Yes. The last question is on collections. When I look at your collections also in this quarter, in terms of flow rates, they've completely normalized and they are pretty strong across all buckets. Since there's a lot of effort to improve productivity and to grow disbursements, and your relationship officers share the responsibility of business as well as collection, while the business & collection are improving, your bounces are pretty much similar in terms of bounce rates. So, is this a lot of auto cure happening in the collections among customers? Or, is there a separate effort being put to ensure that the bucket collections are going to become better and the flows are reduced?

Manoj Viswanathan: As you can see, bounce rates have marginally improved over the last 2 quarters. And as far as collection is concerned, Q1 generally is a difficult quarter. We have generally seen in the past a small uptick in the delinquencies. But this year, it was stable or it actually improved in some of the buckets. It just goes back to more data-driven collections because now we have a wealth of data on customers.

We are able to also use some AI interventions, some automated calling and things like that, which also eases up the work for the relationship managers because as we mentioned, they are carrying the load of both sales and collections. Some part of the collections, which are little softer collections, etc., we are able to do through automation to ease the load. All these factors have contributed to this good quarter.

Moderator: The next question comes from the line of Varun Dubey with Share India Securities.

Varun Dubey: Just wanted to understand the movement of your net interest margin in coming quarters because of late we have seen many of the banks increasing their MCLR rates. And with the tight liquidity in the system, what could be the movement of your NIMs and spreads going ahead in coming quarters? Should we see some compression of 5 or 10 basis points as some of your peers have highlighted the same?

Manoj Viswanathan: No. See, we are running a fully floating rate book. If there are changes in borrowing costs, we will be able to pass it on to the customer. To the extent that we have got an improvement in the cost of borrowing, we have passed on some of that to the customers, which is why you are seeing a small reduction in our yield over the last 2 quarters. It is all back-to-back based on our cost of borrowing. We are committed to maintaining the yield of about 5% to 5.25%. Based on rate movement, we will convey the same thing to the customers.

Moderator: The next question comes from the line of Shreepal Doshi with Equirus Capital.

Shreepal Doshi: My question was on the credit bureau score of our customers. If you look at that score over the last 3 years, it has increased from 738 to almost 750 levels. And consequently, we've seen aspects like credit history, NTC, average ticket size also moving up in the direction, almost 88% of the customers have a credit history now versus 74% during 3 years, I mean, prior to 3 years.

New-to-credit customer is nearly 12% now versus 26%. So, it indicates that we are moving toward a direction wherein the credit bureau score of our customers is only going up, or at least we are picking up those customers wherein the credit bureau score is relatively better.

So incrementally, how do you see this moving? Will we stabilize here and target this customer segment only? Or will we continue to move up the bureau score? Because in that situation, while we have been able to control our BT out, with better credit bureau scores of our customers, we become easy prey to better cost of fund players also, right? So just from that standpoint, I wanted to understand the strategy on this front.

Manoj Viswanathan: On the bureau scores, new to credit customers, the numbers are diminishing every quarter. And that is more of a market phenomenon because more customers are getting access to credit. And even with small loans like consumer loans and 2-wheeler loans, they end up getting a bureau score. By the time they are ready for a housing loan, they already have a bureau score. So, that number keeps diminishing every quarter.

And eventually, probably we will have very few customers in the country who are first-time borrowers in that sense. As far as the improvement in scores are concerned, the 738 moving to 750, obviously, as a company, we would want to keep improving the profile of our customers.

And the philosophy or ideology is that, yes, we should keep moving up the curve as far as credit quality is concerned, but without sacrificing the yields and spreads. Which is why if you see, we have not really sacrificed the spreads. We have been maintaining the committed spreads of 5% to 5.25%. In fact, we are slightly higher than that. The idea is to mine the data in such a way and do analytics in such a way and capture customers in such a way that we are able to maintain the spread, but at the same time, gradually improve the credit profile of the customer. That is the philosophy.

Shreepal Doshi: Got it. And the second question was on the employee efficiency aspect. While the ticket sizes have gone up, at the RM level, the KRAs include the number of files also that they originate and get sanctioned? Or is it purely on the amount that gets disbursed at the RM level?

Manoj Viswanathan: At RM level, there are both factors in the KRA. The number of transactions that they are doing, number of loans that they are originating, plus the total value of disbursals they are doing. Both aspects are there in the KRA.

Shreepal Doshi: Got it. Sir, could you give some color on that? Has that moved up over the last 3 years?

Manoj Viswanathan: It is fairly stable. We have not managed to improve that too much. If you see at an employee level, it is around INR3.5 crore per year at an overall employee level. At a sales employee level, that number would be probably more like INR5 crores to INR5.5 crore a year.

Moderator: The next question comes from the line of Divyansh Gupta with Latent PMS.

Divyansh Gupta: The first question was, you mentioned that for the higher ticket size customer segment, they are facing challenges to get loans from other lenders and that's where, Home First is coming in. So, now given that, CIBIL score is also good with income and given that the ticket size they are also targeting is higher, so I'm guessing more formal income. What are the challenges that these guys are facing? And does it lead to a situation that 1 or 2 years down the line that they are ripe for a BT out to be targeted by a bigger lender because now there is a repayment track?

Manoj Viswanathan: No. Just to explain that a little better. Go back to when we started the business, what was called as higher ticket size used to be INR15 lakhs, right? And less than INR15 lakhs was seen as the sweet spot for lenders like us, the affordable housing lenders.

At that point, the banks were offering loans to customers above INR15 lakhs. If we were to access a customer in that ticket size, then yes, this question would come up that he is a bank customer, how are you able to lend to him, etc. But slowly, that threshold has moved up is what we are trying to convey. It reached INR25 lakhs at some point, and now it is going further up.

Banks have also raised their threshold for lending to customers. They are more interested in customers who are maybe INR50 lakh plus, INR75 lakh plus because there are enough numbers of them, and that portfolio is also growing. We have access to a lot of customers in that INR25 lakh to INR40 lakh to INR50 lakh range who are struggling to get loans from the banks because of various factors.

The same factors that existed for customers below INR15 lakhs 10 years ago. For example, let's say, fragmented salary slips or salary slip is not being issued or let's say, the person has misplaced his Form 16, salary credit in the bank is there, but the documentation is not there or one person is formally employed in the family, but other people are not formally employed. A combination of things.

Maybe 20, 30, 40, 50 combinations which would be there, which make them ineligible in a bank or not even ineligible, it makes it more difficult for them to get a loan from a bank. They will have to go frequently. They will have to spend more time trying to get the loan. Whereas we are able to provide it more seamlessly and in a more convenient way for the same customer.

Divyansh Gupta: Got it. Understood. The second question was that the CIBIL score that we have mentioned in that deck. Is it at the origination time or is it at the AUM because after the home loan anyway, CIBIL score will go up.

Manoj Viswanathan: Yes. This is at the time of origination.

Divyansh Gupta: Got it. And the last question would be the NPA for home loans and LAP, if you can separately mention.

Manoj Viswanathan: NPA for home loans and LAP are broadly in the same range. It is not very different. Our LAP portfolio is fairly small. It is about 13%-14% of the portfolio. So, broadly it is in the same band only.

Divyansh Gupta: Understood. And sorry, just one last question. How much of our borrowings are floating rate linked or are they completely floating linked?

Manoj Viswanathan: Except for a particular scheme of NHB where the loan is fixed for 7 years, the rest of the portfolio is all floating.

Moderator: The next question comes from the line of Aayush Sharma with Adler Capital LLP.

Aayush Sharma: Congrats on a decent set of numbers. I just had one question regarding the LTV. I've seen that the loans which have the LTV of above 80% are increasing as a percentage of your total gross loan portfolio. Can you just give us some insights as to why this has happened? That would be very helpful.

Manoj Viswanathan: This 80% plus portfolio is generally the portfolio originated in the apartment segment. We are getting more traction in places like Bombay, Pune and larger cities across Gujarat and Maharashtra, where this portfolio is increasing slightly. As a result of which you are seeing the LTV go up at the time of origination.

Moderator: The next question comes from the line of Ravi Naredi with Naredi Investments.

Ravi Naredi: Sir, it is a very fantastic result. My point is 1+ DPD is 4.7%, 30+ DPD is 3.2%. Please devise any mode so this percentage fall below 2%, so our GNPA and NPA fall drastically. This is my point.

Manoj Viswanathan: Sir, 4.7%, 3.2%, this is a number that has been following a certain trend over the years. This is based on the kind of customers that we are onboarding our underwriting process, collection process. It basically follows a certain trend. It would not be possible for us to dramatically reduce that. If you have to dramatically reduce the 1+ and 30+, then we have to either change the customer segment or our underwriting methodology. That's the only way we can change those numbers very dramatically.

Ravi Naredi: We can't change that, I know, because the interest margin will come down drastically, right?

Manoj Viswanathan: Yes, sir.

Moderator: The next question comes from the line of Shubhankar Gupta with Equitree Capital.

Shubhankar Gupta: Congratulations on a good set of numbers. Sir, my question is on the stress, which was earlier there in a few pockets, in Surat, Tirupur, right, like on the segments which were affected because of global crisis. As the war is kind of still on, I just want to understand qualitatively if the stress is kind of now you see lesser stress from those pockets? Or do you still see some stress in the books specifically from those pockets?

Manoj Viswanathan: Yes. Some of the stress buildup was because of the tariffs, which has actually now been addressed. Post the start of the war, we have not really seen any stress buildup. Even today, we are not seeing any impact of the war on collections. The tariff impact has died down by now. And some of those pockets which were affected by tariffs like Tirupur, etc. they are kind of on an improvement mode at this point.

Shubhankar Gupta: Got it. I think, given that you're saying that stress is lower than what it was like a couple of months back, what would you guide towards, let's say, the DPD 30+ or GNPA as of FY '27, given that these things would be behind?

Manoj Viswanathan: The first quarter is an important barometer. Generally, what happens is in first quarter there is an uptick in the delinquencies. And then it takes a couple of quarters to kind of bring it back to the same March figures. This time, the first quarter has been excellent in terms of collections. So hopefully, that trend should continue, and we should be able to keep these numbers stable across quarters.

Shubhankar Gupta: Got it. And sir, like on the bit of BT outs, right, the 4.5% number is very impressive. Like as you have already guided that it would be between the 5-ish range, right? But given that the difference is kind of large, right, do we also see a circumstance where this could be in the 4-ish range? Qualitative question.

Manoj Viswanathan: If the things really go well, yes, it could go down. But unless we see this trend for 2 to 3 quarters, I would not commit to that number. As of now, we are hoping for a 5% kind of a number. But yes, if all the processes that we have put in place, they continue to be successful, then yes, we can look forward to lower numbers.

Shubhankar Gupta: Got it. But sir, just a very quick hiding question on this one only. All the efforts on the processes, internal processes which you mentioned, in the call itself previously, when did you start applying those processes? Was it this quarter, like the previous quarter, like when exactly the occurrence?

Manoj Viswanathan: Several quarters back, I think we first mentioned it about maybe 5 to 6 quarters ago.

Shubhankar Gupta: Got it. And it has been an ongoing process.

Moderator: The next question comes from the line of Vijay Sharma with Laxmi Capital.

Vijay Sharma: So, you were saying that there was good volume growth and value growth in this quarter for the 31% disbursement growth. What was the number of files growth that you saw in this quarter and the sanction ratio for this quarter?

Manoj Viswanathan: What is the first question? I didn't get it.

Vijay Sharma: What is the sanction ratio for this quarter? The login to sanction ratio. And also, what was the volume of growth? If we disbursed like 100 files in last quarter, what was the percentage growth in Q1 now? The percentage growth in volume of file.

Manoj Viswanathan: Login to sanction generally follows a very secular trend. Depending on the channel on an overall basis, login to sanction is around 40%. 60% of the cases get declined. That is a very similar trend across quarters.

As far as originations are concerned, we would have seen about 10% to 15% growth. That's why I said out of 30% growth, about 50% would have come from origination growth and 50% from value growth.

Vijay Sharma: Okay. And sir, with respect to our geographical growth, what I'm seeing in the trend is Madhya Pradesh has grown very fast, while Tamil Nadu, which was a good state that has kind of gone down. What is the reason behind this? Like are we losing out market share in Tamil Nadu or is there a problem in that state? And what are we doing good in Madhya Pradesh that we have grown so much, like book has almost 4x in 2 years?

Manoj Viswanathan: First, some of the challenges related to the tariffs, etc. we were facing in Tamil Nadu, plus we also had some team-related problems. But those things are behind us now, and we should start expecting good growth momentum in Tamil Nadu also.

In MP, we were successful in building a good team. And that helped contribute to the growth momentum. That's also because year-to-year, certain states do well and certain states have certain struggles or hiccups. That is about it.

Moderator: The next question comes from the line of Divyansh Gupta with Latent PMS.

Divyansh Gupta: Two follow-up questions. If I look at our deck, the number of districts served in Tamil Nadu reduced from 25 to 24. Now given that, let's say, exiting a home loan, which has been given for a long tenure is not easy. What led to this? And how should we think about this one district that we have exited? That no more origination, I'm assuming, but how do we figure out the servicing part and collection part?

Manoj Viswanathan: Servicing collection, see typically, there will be 100 or 200 accounts in a district. What happens is sometimes a particular branch falls in a certain district, but it would be closer to a branch from a different district. We then would decide to service it from that branch. That's all.

Divyansh Gupta: Got it. And what led to exit in this district, like high NPAs or saturation or anything else?

Manoj Viswanathan: We monitor the portfolio from an early stage. The first 100 loans do not show us the correct trend, then we kind of put the brakes at that point of time till we understand the situation better.

Divyansh Gupta: Understood. The second question was, our average ticket size is increasing. Is the target that, what we expect from the relationship managers is also increasing, or that is remaining at a similar level? The underlying question being that, if the targets are similar and the ticket size is increasing, then the loans approved or sourced at the employee level will reduce mathematically. So, is it a rejection ratio that is why lesser loans per employees, or it's top of the funnel itself is getting selective?

Manoj Viswanathan: The KRAs of relationship managers include both number of transactions as well as value. Of course, the expectation is that the productivity should increase, the origination per relationship manager increases. But that is more of a gradual process. It also depends upon number of new versus old relationship managers, attrition rates, etc.

You may not be able to see that at an overall level, because it depends upon the mix of relationship managers as well because older relationship managers have a higher target, etc. But the expectation is, of course, that the overall productivity per relationship manager should go up through this if there is a ticket size increase.

Divyansh Gupta: So, productivity you're measuring from AUM or number of loans?

Manoj Viswanathan: All of them, because they are also responsible for collections. The total AUM per employee, AUM per branch, disbursal per branch, disbursal per employee, all of them.

Divyansh Gupta: Got it. And maybe just a different way of asking, is the approval rate for the higher ticket size higher, lower or similar to the ex of higher ticket size? How does the approval rates differ? Approval and then final approval to disbursal.

Manoj Viswanathan: When we say higher ticket sizes, it is only a very gradual migration. We were always doing ticket sizes of INR25 lakhs plus. The ratio has gone up, that's all. If you see maybe 2 years or 3 years back, the INR25 lakh plus used to be about 12% of the portfolio. Now it's 18% of the portfolio. It is a very gradual movement of ticket size. The origination process, the approval rate, etc, , remain largely the same.

Moderator: The next question comes from the line of Shubhankar Gupta with Equitree Capital.

Shubhankar Gupta: Yes. I had another question. So actually, sir, from an analyst perspective, we read every other peer, high-quality peer is also in the space, like Home First specifically, we take a lot of pride in being a tech-first kind of tech leader. So relatively, I just want to understand like what key metrics or things as an analyst should we see that differentiates us from other high-quality peers on the tech front, whether it be aggregator, like the loan aggregation percentage or some specific number which we can anchor to understand how substantively we are leading on the tech front?

Manoj Viswanathan: Ultimately, the deployment of tech will be for improving the customer experience, which is basically turnaround times. It will be for efficiencies. So that is basically improvement in cost and improvement in quality, which is basically the delinquencies. At a very high level, there would be the 3 metrics to track - Opex, delinquencies and customer experience. But it would be too early to kind of attribute improvements to AI or tech. I mean it will be a more gradual improvement.

And if you see our metrics, on the cost side, they already reflect our high-tech approach. We run a fairly efficient operation with a low cost compared to our peers or compared to the industry. Over a longer period, you will see those trends emerge on all these 3 aspects.

Shubhankar Gupta: Sir, actually, I've actually been tracking these 3 elements which you mentioned. Of course, not the customer experience bit, I think. So NPS in the presentation is, I think what you mentioned, the customer experience bit, which usually others don't share, right? And on the other fronts, I believe that Opex to AUM is lower for us, like not all others have. But like are there more qualitative aspects also which we as an analyst can kind of anchor ourselves to understand if we are tech leaders or doing better on tech relatively?

Manoj Viswanathan: The other metrics are, for example, the disbursal per branch. The ability to disburse a higher amount per branch or per employee or the ability to manage a larger AUM per employee or per branch can be attributed to tech. We will have to think through specific metrics, which can be directly attributable to the deployment of technology. But off the bat, I can think of some of these metrics.

Shubhankar Gupta: Okay. Got it. So NPS is the metric, right? For the customer experience that we have to track one metric of how fulfilled or satisfied the customers are and the NPS, which you mentioned at 79 for this quarter, that's the right metric to look, right?

Manoj Viswanathan: Yes. The customer experience is one of the metrics. So NPS is one of the more quantifiable metric. But then in terms of overall customer experience it's something that you can probably find out through branch visits or customer visits also.

Shubhankar Gupta: Got it. And we internally also benchmark the same number for other players also, like just from a market understanding perspective, to be on top? Is that something we do?

Manoj Viswanathan: On the customer experiences, it is not very quantifiable. It is more anecdotal. We keep understanding from the market what is the turnaround time in the market and what is the customer experience, etc. So, that is more anecdotal. There is nothing which is quantifiable in that sense.

Moderator: The next question comes from the line of Vijay Sharma with Laxmi Capital.

Vijay Sharma: Sir, my question was, I calculated the repayment rate. It is coming at 14.3%, and it is lower than last year. Average for last year was around 16%. So where do you think the repayment rate overall AUM rundown will be because BT out was also lower? So, what will be the trend for rundown rate?

Manoj Viswanathan: This number is difficult to predict. Broadly, we take a 16% to 17% repayment rate. If we have an exceptionally good quarter in terms of BT out, then the numbers will come down as we have seen in this particular quarter. But otherwise, we generally assume 16% to 17% in our calculations.

Vijay Sharma: But are you not seeing any such different behaviour in prepayment from customer, like customer making more prepayment or lower prepayment or anything of that sort?

Manoj Viswanathan: There is no behavioural change in that sense.

Vijay Sharma: Okay. And one last one. So, we have seen good growth in Madhya Pradesh, which other state will you be targeting for faster growth? Because I think you were mentioning you are seeing good growth in Rajasthan. Is that the next state that we are going to target for fast growth? Any other, which specific state are we looking? Because other states' contribution who are below Madhya Pradesh is single digit. Like Telangana is 8% and Rajasthan is almost 10%. So which specific states are we going to target for faster growth in the coming quarters or year, or long term?

Manoj Viswanathan: Yes. I can give you a more longer-term view. The states that we are targeting for more aggressive growth would be eventually UP, because that is a large state. Rajasthan, we are already well-penetrated, which is why I am not mentioning Rajasthan. So, UP is a state where we have still a lot of potential to penetrate.

That will be one of the states to look out for in the medium term. Medium term is in the next 1 to 3 years. Similarly, the southern states, which are Tamil Nadu, Andhra, Telangana, these 3 states we would be targeting these states for better growth in the coming years.

Vijay Sharma: So UP, TL, AP, and TN is what you are saying? UP is the highest potential.

Manoj Viswanathan: That's right.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Manoj Viswanathan for the closing remarks.

Manoj Viswanathan: Thank you, everyone, for joining us today and for your continued interest in Home First. We hope we have addressed all your questions. For any further queries, please reach out to Sunil Anjana or write to us on investor.relations@homefirstindia.com. Thank you and have a good evening.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Home First Finance Company India Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.