



“Repco Home Finance Limited Q4 FY2026 Earnings Call”

May 22, 2026

Management: Mr. T. Karunakaran – Managing Director & Chief Executive Officer
Mr. P. K. Vaidyanathan - Whole-Time Director & Chief Development Officer
Mr. M. Raja - Chief Business officer
Mr. A. Palpandi - Chief Operating Officer
Mr. Ankush Tiwari - Company Secretary & Compliance Officer
Ms. Shanthi Srikanth – Chief Financial Officer
Mr. Rajiv Mehta



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Moderator: Ladies and gentlemen, good day, and welcome to Repco Home Finance Limited Q4 FY2026 earnings call, hosted by Yes Securities Limited. Please note all participants are currently in listen-only mode. There will be an opportunity for you to ask questions following the conclusion of the management's opening remarks. Please note that this conference is being recorded. I now hand the conference over to Mr. Rajiv Mehta from Yes Securities. Thank you and over to you Sir!

Rajiv Mehta: Thanks, Swapnil. Good evening everyone. Thank you so much for joining this Q4 and financial year ending March 31, 2026 call of Repco Home Finance. We have with us from the management team, Mr. T. Karunakaran, MD and CEO, Mr. P. K. Vaidyanathan, Whole-Time Director and Chief Development officer, Mr. M. Raja, Chief Business Officer, Mr. A. Palpandi, Chief Operating Officer, Mr. Ankush Tiwari, Company Secretary and Compliance Officer, and Ms. Shanthi Srikanth, the CFO. With this, I pass on the call to Mr. Karunakaran for his opening remarks, post which Swapnil, you can open the floor for Q&A. So, over to you Karunakaran Sir!

T. Karunakaran: Thank you, Mr. Rajiv. Good evening to all and I am extending a warm welcome to this earnings call to discuss performance of Company for FY2025-2026 and the way forward. Our Board yesterday approved the financial results of our Company for FY2025-2026, post approval we have uploaded our financial results and a PPT containing our performance in our website as well as Stock Exchange websites. I believe you would have had a chance to go through our performance results and whatever the PPT we have uploaded in the Stock Exchanges and our websites. For those people who do not have a chance to see our results, I would like to go through our performance quickly before opening the floor for Q&A.

Coming to the business, we have seen substantial improvement in the disbursement side, both quarter-on-quarter as well as year-on-year we have seen improvement. During the quarter ended March 2026, we have disbursed Rs.1186 Crores, of course, this is the highest disbursement in our Company. In the whole year, we disbursed Rs.4148 Crores again this is the highest disbursement. During the same period in last financial year, we have disbursed Rs.3284 Crores. Our disbursement in 2025-2026 improved by 26%. If you compare disbursement of March quarter with the December quarter, December quarter we have done a disbursement of Rs.1064 Crores and March quarter we have done Rs.1186 Crores. We have seen 12% growth in the disbursement. Overall, quarter-on-quarter and year-on-year, we have seen substantial improvement. Again, this financial year, September, December as well as March we crossed Rs.1000 Crore mark disbursement in a quarter.

If you look at contributions of loan disbursements state-wise, Tamil Nadu remained highest out of total disbursement of quarterly as well as yearly disbursement. Almost 60% of the disbursements are coming from Tamil Nadu. Last quarter that means December to March, we have seen disbursement improvement in Karnataka, Maharashtra, Telangana and Madhya Pradesh. Going forward I am expecting more disbursement from these states. If you look at loan book mix, we have not seen any changes in loan book mix. Out of total loan book, 71% of the loan book is HL and 29% is the non-HL. Total loan book at end of the financial year stood at Rs.15,880 Crores as against Rs.14,496 Crores in the last financial year. We have seen growth of about close to about 9.6%. Even salaried versus non-salaried, we have not seen any change. At the end of March, out of total loan book salaried class accounted for 46% and non-salaried class accounted for 54%. These are from disbursement as well as from AUM side.

With respect to yield, overall yield as end of the March stood at 11.9% as against 12% in December 2025 and 12.07% in March 2025. If you ask me the breakup of yield, that also we have not seen any changes in the yield by assets or even profile mix. Salaried class yield stood at 11.36% and non-salaried class yield stood at 12.27%. I am getting a yield of 11.16% from home loan and 13.44% from non-housing loan. This is the yield I am getting from HL, non-HL and salaried class and non-salaried class. During FY 2025-2026, we disbursed Rs.4148 Crores, out of Rs.4148 Crores, approximately Rs.700 Crores gone to meet out the regular repayment and about another Rs.2000 odd crores were prepayment, pre-closures, BT Out. So net increase in our overall loan book is about Rs.1300 Crores. In March quarter alone, we have seen incremental increase in loan books to the extent of Rs.485 Crores as against Rs.360 Crores in December 2025. This is from loan book. BT Out are under control and on average we have experienced about Rs.35 Crores to Rs.36 Crores per month BT Out. BT In per month this is about approximately about Rs.45 Crores to Rs.50 Crores per month. This is our experience in last financial year. Net-in-net that means BT Out, BT In the gain almost on an average is about Rs.15 Crores to Rs.20 Crores in a month in last financial year.

Coming to asset quality, we have seen reduction in NPA at the end of the March 2026, our NPA stood at Rs.405 Crores, which was about Rs.475 Crores in the corresponding period of the previous financial year. Even in quarter-on-quarter also we have seen reduction in NPA as of December end NPA was about Rs.450 Crores. At the end of 2025 our GNPA was 3.26%, which we brought it down to 2.55% at the end of March 2026. Even we have seen substantial corrections, improvement in stage 2 assets also. At the end of the financial year 2026, our stage 2 assets stood at Rs.1115 Crores as against about Rs.1410 Crores in the corresponding period of the previous year. The overall book, the stage 2 assets, stood at almost close to 7%, whereas the same was close to about 9.5% in the previous financial year. We have seen improvement in all the buckets, SMA 0, 1, 2, 3, all have seen substantial improvement. The cumulative provision for all NPA as well as standard assets stood at Rs.343 Crores as of

FY2026. Almost we are maintaining a provision coverage ratio of 55%. We are doing provisions as a conservative basis. We are following an Indian accounting standard model. As per model, we are providing more. As per the model, we need to provide in and around 26% to 27% for NPA loans whereas we are maintaining about close to 55% as a conservative and prudent manner. Additionally, the provision what we have made under Ind AS is much, much higher than IRAC provisions. Then coming to new loan, the book-wise performance, New loan book, that means loans given post 2022 is doing good. The overall NPA in the new loan book is about close to 1% and stage 2 assets in the new loan book is about 3.9%.

Coming to the borrowing side, at the year beginning we started diversification in our liabilities. During the current FY2025-2026, we have issued a commercial paper to the extent of about Rs.150 Crores. In the last quarter, we have done one pass-through certificate and January to March we have issued a NCD to the extent of Rs.125 Crores. At the end of March, our overall borrowings stood at Rs.12,215 Crores out of total borrowings, almost 6.2% of the funding is coming from National Housing Bank and 85% of the funding is coming from banking system and about 5.39% is coming from Repco Bank. CPs accounted for about 1.2% and pass-through certificate and NCDs accounted for almost 2%. Our cost of funds at the end of the year stood at 8.56%. I am very happy to share that National Housing Bank has sanctioned Rs.600 Crores refinance facility to our Company. In the yesterday Board meeting they approved the sanction. Very soon we are going to execute the document and going forward I am expecting it will help me to help the management to reduce our cost of funds. This is from borrowing side.

Profitability side, yes. Few new expenditure items and certain one-off items affected our overall income and expenditure and profitability of the Company. I would like to list such items. With effective from April 2024, as advised by the regulator, we have changed the interest calculations method. We have switched over to daily balancing method. Because of the change in the interest calculation method, our interest income is down by Rs.11.53 Crores in the current financial year. All of you are aware that Labor Code was implemented effectively from November because of implementation of Labor Code, we charged Rs.15 Crores to P&L to comply with the new Labor Codes and one of expenditure like 2025-2026 silver jubilee year for us. We celebrated silver jubilee year in first quarter and we conducted the review meeting in person. Such expenditure amounted to Rs.5 Crores and again CSR expenditure we normally used to make 2% of the average profit for the last three years. In FY2025-2026 we increased to 5% on account of this, there is an increase of Rs.15 Crores. If we had done 2%, it would have been Rs.10 Crores. Since we have increased from 2% to 5%, we had additional cost of Rs.15 Crores. All these items put together, they have come approximately to Rs.46 Crores. Otherwise, my profit would have been more by Rs.46 Crores in the current financial year. Our Q4 profit stood at Rs.129.11 Crores as against Rs.108.77



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Crores in December quarter. Our overall year profit stood at Rs.453 Crores as against Rs.449 crores in the last financial year. Ratios wise, our NIM stood at 5.38% as against 5.15%. These are from profitability side. Our ROA stood at 3%. Cost of fund, I already told you, is 8.56% and yield on advances is about 11.9%. So thereby we are maintaining a healthy spread of 3% and NIM of 5.38% and cost-to-income ratios stood at 28.71. These are from profitability and ratio side.

Network, we are having 242 branches, including SAT centers and branches. In FY2025-2026, we opened nine offices across the country. Dividend, as all of you are aware, we have already declared an interim dividend of about 45% and in yesterday's Board meeting, Board declared 30% final dividend subject to approval of the shareholders. So our total dividend for FY2025-2026 is 75%, which is the highest dividend what we declared in the RHFL history and these are the things I want to tell before opening the floor to Q&A and again I take this opportunity to thank all of our valued customers, shareholders, analysts, rating agencies, bankers, investors, for their continuous support. Now I open the floor for Q&A session.

Moderator:

Thank you so much Sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask a question may click on the raise hand icon from the participants tab on your screen. We request participants to restrict to two questions per person and then return to the queue for more questions. To rejoin the queue, you may click on the raise hand icon again. We will wait for a few minutes until the question queue assembles. We will take a first question from Vikas Kasturi of Focus Capital. Vikas, please go ahead and unmute your microphone. Vikas, please go ahead and ask a question. I think we have a connection issue from Vikas. We have our next question coming in from Amit Mehendale of RoboCapital. Amit, please go ahead.

Amit Mehendale:

Thanks for the opportunity. Great, thanks. My first question is on the loan book. Our earlier aspiration was to do about Rs.25,000 Crores of loan book by FY2028 are we still on track on the earlier aspiration?

T. Karunakaran:

Yes, last year I remember my first concall I said Rs.4000 Crore disbursement in the FY2025-2026 we have done Rs.4000 Crores disbursement. Current year, the target we want to achieve a disbursement of approximately Rs.5000 Crores disbursement and I am expecting a prepayment as well as repayment of about Rs.2940 Crores, out of Rs.2940 Crores approximately Rs.2060 Crores will go to AUM, remaining used to set off my prepayments as well as repayments. So, my yearend target for the current financial year is about Rs.18,000 Crores. That means, in a nutshell, we want to disburse about Rs.5000 Crores and we want to increase our AUM to Rs.18,000 Crores. Two years down the line, yes, we will be in a position to achieve Rs.25,000 Crores AUM.



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- Amit Mehendale:** So basically FY2029, are we saying that we have about a year of delay, so in three years we will get there?
- T. Karunakaran:** Yes.
- Amit Mehendale:** How much of inorganic loan book growth are we expecting?
- T. Karunakaran:** We want to do some books buy but not in a very big way or aggressive manner. We may do in this financial year about Rs.25 Crores to Rs.30 Crores, not more than that. Majority of my book is from our own, not buying from the market.
- Amit Mehendale:** Actually, if you look at it our loan book growth is significantly below our disbursement growth and that problem exists for some period of time now through BT Out so how do we see that going forward, unless that problem is solved, the only growth will become a challenge?
- T. Karunakaran:** We have taken a lot of steps to arrest a BT Out. Now the BT Out are hopefully under control. The average BT Out as of now is about Rs.30 Crores to Rs.35 Crores per month. BT Out are really under control. Of course, to retain a good customer, we have reduced our interest rate also because of that our spread also slightly came down.
- M. Raja:** Amit, to add more to that, say considering that my portfolio or my organization has been in existence for past 25-26 years, I have quite a vintaged book. So, as you are aware in the market, my mortgage loan gate-to-gate is not more than seven to eight years. So, I will have to expect and accept a rundown of my book because of maturity alone. Even if I am going to control my BT or the takeovers, my natural runoff of book will happen. We will have to increase our disbursement speed and that is exactly what we are planning to do and we are doing.
- T. Karunakaran:** Second thing, in addition to Mr. Raja, majority of my loan books are non-salaried class customer, substantial portions we linked to non-salaried class customer. The habit of non-salaried class customer, business class people is, as and when they are having a surplus cash flows in the business they will come to us prepay and close the loan. As and when they require the loan, they will come to us. We have also experienced those who avail the loan for investment purposes. For example, buying the second house, third house or something like that. After some time, they are selling, pre-closing the loans we experienced in the last financial year. For a 25 year of old Company pre-payment, pre-closures, it is very difficult to avoid. Market also is very competitive. So, the only way left to increase the book is to disburse



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more aggressive, but at the same time, we do not want to dilute quality in the disbursements, which is savings from our performance of new loan book.

- Amit Mehendale:** Thank you and my second question is on CSR. Are we going to continue with the 5% spend going forward?
- T. Karunakaran:** Right now, we do not have any plan. We want to stick it in and around 2% to 3%. I will be able to answer your question in my next concall. Right now, I cannot give the exact numbers. My idea is about 2% to 3%, not more than that.
- Amit Mehendale:** Right, so could you elaborate why was it suddenly raised from 2% to 5%?
- T. Karunakaran:** Last year was our silver jubilee year. So, we have done this which will improve our brand visibility.
- Amit Mehendale:** Thank you, Sir. That is it.
- T. Karunakaran:** It will improve my business.
- Amit Mehendale:** Yes Sir. Thank you.
- Moderator:** Thank you so much. Requesting all participants to restrict to two questions only and then if you have any follow-up questions, then you can return to the queue. We are taking a next question from Shubhranshu Mishra of Phillip Capital. Please go ahead.
- Shubhranshu Mishra:** Sir, good afternoon. Thank you for the opportunity. This particular number that we are talking about in terms of Rs.2000 Crores of BT Out pre-payment, which was for the full year, what is the proportion of prepayment and what is the proportion of BT Out here and in this monthly run rate of BT Out and BT In that we are doing, when is our loan going out, which all HFCs or banks are taking up these loans, if you can name them and from where are we getting this BT In? Thank you.
- M. Raja:** Shubhranshu, I will take this question, Raja here. Most of my BT Outs are going to my public sector banks, obviously because of my rate of interest and the difference in the same. My BT Ins are coming from HFCs, mostly from the segment of self-employed profiles. So that is what we have been witnessing and I believe that will continue because the public sector banks are now getting aggressive and they are more confident on taking over a vintage loan that is where we are bleeding and when you ask about the percentage of BT In and BT Out, net-to-



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net between BT In and BT Out, my BT In are more than my BT Outs. So as of today, I am enjoying on that.

Shubhranshu Mishra: No, that is not what I asked. In the opening comments, I think what was mentioned is that there was Rs.2000 Crores of BT Out and pre-payment. I wanted a split between pre-payment and repayment?

M. Raja: Okay. So, BT In, as my boss said, on the BT Out, I am expecting almost Rs.30 Crores to Rs.35 Crores per month. So, for the year I am having an BT out of Rs.400 Crores and the balance is my repayment and pre-payment and pre-closures.

Shubhranshu Mishra: Repayment, how much?

T. Karunakaran: Last year we got a principal rundown now about approximately Rs.2670 Crores. Okay, out of Rs.2670 crores, scheduled repayment, since scheduled principal repayment is approximately about Rs.700 Crores. Remaining thing approximately about Rs.2000 crores, Rs.1900 Crores is principal repayment, pre-payment, pre-closures, everything put together. Of which BT Out is about close to Rs.400 Crores. I hope I have clarified.

Shubhranshu Mishra: Yes, sir. But what is the repayment and how much is pre-payment is what I am trying to establish?

T. Karunakaran: Prepayment that means partial pre-payment is roughly about Rs.256 Crores. Full payment is about Rs.1675 Crores.

Shubhranshu Mishra: Entire full closure of loans is Rs.1700 Crores.

T. Karunakaran: Yes.

Shubhranshu Mishra: And this is a normal run rate, which happens each year?

T. Karunakaran: It is a normal. Yes, we compared with this same number with the previous financial year. It is a normal thing. Of course, BT Out is controlled in 2025-2026 compared with 2024-2025. Other pre-payment, pre-closures are almost similar. I told you that the majority of my borrowers are non-salaried class customers and when they have cash flows, excess cash flows in the system, they will come to us pre-close, and they will take a new loan at a later date.

Shubhranshu Mishra: Understood Sir and one last question is data-keeping question, Sir. If you can repeat the yields on salaried, non-salaried and HL and non-HL? Thank you.



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- T. Karunakaran:** Out of Rs.15,880 Crores is my loan book at the end of March 2026, salaried class is about Rs.7410 Crores, non-salaried class is Rs.8470 Crores. In terms of percentage, salaried class is 46% and non-salary class is a...
- Shubhranshu Mishra:** No sir, the yield.
- T. Karunakaran:** Are you asking about yield?
- Shubhranshu Mishra:** Yes.
- T. Karunakaran:** Yield approximately I am getting 11.36% from salaried class customers and non-salaried class customers on average it is about 12.25% to total 12.27% depends upon the profile of the customer it will vary.
- Shubhranshu Mishra:** HL and non-HL Sir?
- T. Karunakaran:** HL approximately is about 11.16%, non -HL, it is about 13.44%.
- Shubhranshu Mishra:** Understood and the difference between our yield and APR is ballpark same, or there is a substantial difference in APR and yield?
- M. Raja:** It is almost the same Sir.
- Shubhranshu Mishra:** Thank you so much, Sir. Best of luck for the ensuing quarters. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Vibhor Talreja of Nest Amplifier. Vibhor, please go ahead with your question now.
- Vibhor Talreja:** Thank you for the opportunity. Sir, the question is very similar. Congratulations on the silver jubilee, but as investors for the last decade, we are sitting at 25% loss at a time when the index is up 3x. On the AUM growth for the last 5-6 years, the CAGR is 6-7%. Even this year, the guidance was 16,200 we have ended up at 15,850 or something and while we are continuing to do disbursements, the AUM growth is much lower, which is where most of the other questions were. I heard the guidance this time also at 5000, which is higher, but the AUM growth at 18,000. One is the sanctity of this, but I do not have many questions. I just wanted to share that one has been a long-term shareholder, but it has been a very difficult journey and the entire market is not recognizing our efforts and they are not visible. That is why we are trading at five times, very much unlike the entire market and now we do not have an asset quality issues also, our asset quality is doing phenomenally well, our NPAs are reducing, the

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credit costs are zero, but I am sure as management you would have seen that but sometimes it takes us to be a shareholder to realize the pain. So that we are putting in all the best efforts because sometimes it is BT Out, sometimes it is principal repayment, sometimes it is the kind of customer, which should be there for all housing finance companies, but we have seen that especially at the scale we are and the bank advantage we have, most companies have grown phenomenally better in a year, in a two year, in a three year, in a five year, in a 10-year phase, but somehow none of that happens and we disclose very good data and numbers, we are very good proactively disclosing the numbers, but the AUM growth just does not come in and that is what is the big game changer in a lending business. I will pause here and if there are comments that I should keep in mind, I would like to, but I just wanted to mention what I just shared.

M. Raja:

Yes, you are right. We also have that pain. We stand with you, but yes, our AUM growth, as we are looking at an organic growth, we are required to manage all the parameters and all the variables in the market. Like, as I said, because of a vintage book, I have no other choice if a customer comes in for a pre-closure after five years, six years, seven years, I will have to accept it. Though I try to retain him, we do have a retention policy and all those things, but still, as you rightly pointed out, our book growth is getting restricted because of the vintage of the book and the closure and also, as my boss said, because we being more of a self-employed kind of a profile, customers do come in for bulk repayments quite often and we cannot and we should not stop them also. The only choice I have is to run faster, that is to increase my disbursements, which yes we are trying to do it by also reducing our cost of funds so that I can get into more of a retail game. We are planning and strategizing. We will have to wait for the future.

Vibhor Talreja:

Any update on how this quarter is turning out to be given we are in end of May?

T. Karunakaran:

Yes, it is going as per schedule. We are having a plan to do disbursement of about Rs.1000 Crores. We want to maintain the momentum, we want to maintain the trend of doing more than Rs.1000 Crores in a quarter. This trend will continue. We are making lot of efforts to arrest pre-closures and repayment. Mr. Raja rightly said it is a 25 years old Company. It is very difficult to manage pre-payment and pre-closures. Going forward, we will be very aggressive in disbursement. One thing I want to confirm you that for the sake of growth we will not dilute our standards and underwriting standards and quality in the assets, which can be clearly seen from performance in the new book. We are putting efforts to arrest the pre-closures. Let us see. We are expecting improvement going forward.

Vibhor Talreja:

Thank you.



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- Moderator:** Thank you so much. We will again allow Vikas Kasturi of Focus Capital to ask his question. Vikas, would you like to go ahead now?
- Vikas Kasturi:** Last time I did not get the unmute button. Sorry about that. Sirs, hearty congratulations on this great quarter and a great financial year. Like you said, the highest ever disbursement on a quarterly basis as well as an annual basis and the GNPA is also you brought it down exactly like you said. Sir, I have been listening to all the questions and your answers as well and I want to ask the question on the rundown itself, but I want to give you a data point. From FY2022 to FY2026, so last four years, you have disbursed around Rs.13,500 Crores, right? But on the slide number 25, our AUM from 22 onwards is only Rs.10,000 Crores. So roughly about Rs.3000 crores of rundown has happened on the new book as well. So that is about 25%. So I am just saying, rundown is happening not just on the legacy book, it is happening on the new book as well and so while you have been saying because of vintage there is rundown what explains the rundown in the new book Sir?
- M. Raja:** As I was saying, my customer profile being self-employed, I do get a lot of bullet payments or part pre-payments. That is something that we cannot avoid and we are required to take it up. Your observation is right. Though there are no major pre-closures in the recent book, but there are a lot of part pre-payments and that is what is being observed by you as 25%.
- Vikas Kasturi:** Correct, sir. Even in the last financial year, you were disbursed Rs.1100 Crores, but the new book AUM has gone up by only about Rs.800 crores, so you can see that there is rundown even in the new book which is happening?
- M. Raja:** Yes, you are right. Your data points are right. From an answering perspective, it dwells more on my principal repayment upfront repayment because if it is a shorter term, my principal repayment will be faster and also because of my part repayments because we allow part repayment even on the third month and fourth month of the loan, so I cannot do much about it.
- T. Karunakaran:** In addition to that, we are following robust credit underwriting standards, legal scrutiny, valuation scrutiny and all. Once my borrower approach any other financial institutions and say, I have taken loan from Repco Home Finance, they will close their eyes and take. Quality in the asset is the reason for takeover by other institutions.
- Vikas Kasturi:** Thank you very much for your answers and once again, hearty congratulations to you.
- Moderator:** Thank you. We have Pavan Kumar of Edelweiss with his question now. Pavan, please go ahead.



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- Pavan Kumar:** Thank you for the opportunity Sir and congratulations on good performance. When you say Rs.5000 Crores of disbursement you are saying you will do Rs.1.67 Crores, Rs.1.7 Crores per month from branch right so that is approximately you are talking about like less than 13 loans and you have like 5-6 relationship managers. Can you walk us through the numbers, how it will work out?
- M. Raja:** You are talking about per branch disbursement, right?
- Pavan Kumar:** Correct.
- M. Raja:** Per branch per month disbursement, it depends on the branch category because we do have branches across geographies like urban, semi-urban and rural also. So the same standard cannot be applied to all branches but having said that, my average disbursement per branch per month is anywhere between Rs.1.5 Crores to Rs.2 Crores and in a given branch, I will be having one BSM and one BH. So that is the kind of relationship or salesforce that I have and we are in the process of improving the productivity also, but I think we are at an optimum level with one BH, one BSM, and maybe one runner boy or something like that is what we are looking at Rs.1.5 Crore to Rs.2 Crores. Of course, this year, you can look at increased productivity. Having said that, that is what we are running for. Yes.
- Pavan Kumar:** Can you give the split of that 1600 employees that you have? Like how many of them would be in branches and how many of them would be actual sales managers? Or as you said it is only 240 sales managers, one person per branch.
- M. Raja:** There are 240 branches.
- Pavan Kumar:** Yes.
- M. Raja:** Almost 180 branch sales managers.
- Pavan Kumar:** Okay.
- M. Raja:** We do have a regional setup and a corporate office also. So the exact breakup maybe, I will pass it on to you through my team. Anyway, I will share the data with you. From sales perspective, branch heads will be one per branch, as you rightly said and BSMs we have almost 180 to 185 persons.
- Pavan Kumar:** Sir, okay, basically two sales people, right, between branch head and sales manager and you are expecting them to do almost 10-11 loans per month at Rs.1.5 Crores to Rs.2 Crores.



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- M. Raja:** Yes.
- Pavan Kumar:** Is that not too much?
- M. Raja:** In our kind of organization, with our DNA, we are used to making that kind of numbers. Because we have a branch, we have a processing setup also. They source and we have a team in the branch to process the files. It is possible.
- Pavan Kumar:** Sourcing is entirely internal, right?
- M. Raja:** Yes.
- Pavan Kumar:** Is not hiring more salespeople a solution because all the other companies operate like three, four, five salespeople per branch like Aptus is doing higher disbursements at a much lower AUM compared to you and their geographical footprint is almost similar to you?
- M. Raja:** Yes, we can add more salespeople, as you said that is one of the approaches, but again, we are very, very conscious about our cost to income and overheads.
- Pavan Kumar:** Sir, but your yields are so low. You say your self-employed is high. It is only 50%, another 53%. Your yield is lowest among the affordable housing finance people, so if you can add employees, I see like a great scope.
- M. Raja:** Yes, we have noted. We already have it in the back of our mind, but it really takes a bit of a time to get it implemented. Thanks for the notifications. Yes, we are noting it down. We will be working towards it.
- Pavan Kumar:** Okay Sir. My second question is on the stage two, like really great performance from bringing down to 7% from 9.7% last year. So, FY2027 and stage two, can we look at something like a 4% kind of a number or a 3% kind of a number?
- P. K. Vaidyanathan:** Actually, we plan to reduce below 5% because last year, we have reduced around 2.7%. We wish to reduce below 5% at par with the industry, but we hope we will reduce it more. Because we are having a separate collection team and we have strengthened the collection verticals. Now we have started to focus on the rollback of accounts. Last year, if you say the absolute numbers, we have rolled back around Rs.300 Crores from Rs.1410 Crores to Rs.1115 Crores. So this year also, we have assigned a separate vertical for reducing the flow from B0 to B1. The initial stage itself, we want to restrict it. So going forward, we can reduce the stage 2 accounts below 5% before the end of this financial year.



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- Pavan Kumar:** Got it. So can you explain the success?
- Moderator:** Sorry, if you have a follow-up question, please rejoin the queue. We have a few other participants as well. Thank you so much, Pavan. We have our next question coming in from Saurabh Dhole of Fyers Assets. Saurabh, please unmute and go ahead with your question.
- Saurabh Dhole:** Thank you. Good evening. I just have one question with respect to the dividends. You had a payout ratio of about 10%, if I assume full year earnings of 74 EPS what is the outlook that you have on the payout or was that just a one-time 25-year celebration because of which the payout was increased and it will now go back to its original trajectory?
- T. Karunakaran:** Continue this, we want to maintain this trend. It is not a one-off thing like what I discussed in my concall. As a management, we want to continue this trend.
- Saurabh Dhole:** Okay and again it will have an interim plus final kind of a pattern because typically Repco is in just a final dividend is what?
- T. Karunakaran:** That is what I have in mind. Right now, I cannot answer this question based on the numbers and other things it will be decided. I will be able to give exact number on my next concall, but we want to continue this trend.
- Saurabh Dhole:** Sure Sir. Thank you so much.
- Moderator:** Thank you. We will take our next question from Prithviraj Patil of Investec. Mr. Patil, please unmute. Yes, please go ahead.
- Prithviraj Patil:** I just wanted to understand the pricing strategy and the cost of funds, so if I look at cost of funds on a Y-o-Y basis, they have gone up by 10-basis in a declining repo environment and also, if I look at the yield, the yield on assets that the repo has gone up from 11.7 in Q4 FY2025 to around 12, so I just wanted to know our pricing strategy and how we think of yields going forward or the cost of funds going forward.
- Shanthi Srikanth:** Cost of funds side, we have been consistently reducing it from 8.75% last year, financial year, we have dropped it to 8.5%. So there is a consistent reduction in our cost of funds and going forward if at all repo is increased by RBI our cost of fund might go up. Otherwise, not much of a change we expect.
- T. Karunakaran:** Right now my yield is about 11.90%. It was about 12.07% in March 2025. Of course, we are following a risk-based pricing model, majority of my borrowers are non-salaried class



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customer. We will ascertain based on the risk profile the price will be determined. You know that we are sitting on the very tight and competitive environment. It is very difficult to maintain about 3.34%, the spread what we reported in previous quarters and to retain the good customer. Case-by-case we have to reduce our rate of interest, number one. Number two, in this current financial year, we have reduced our benchmark rate twice. July 1 we have reduced 10-basis points and again February 1 we have reduced our 10 basis points. All put together, we have seen reductions in the yield. If we want to grow, it is not possible to maintain good spread, as they both do not come together. If we want to grow, we need to sacrifice some portion of spread. For current financial year, we would like to maintain a spread of in and around 3.2% to 3.25%.

- Prithviraj Patil:** Got it Sir. Thanks.
- Moderator:** Thank you. We will take a follow-up question from Saurabh Dhole of Fyers Assets. Saurabh, please go ahead.
- Saurabh Dhole:** Sir, with respect to this NHB sanction that you have basis this particular transaction by how much will your cost of funds go down by?
- Shanthi Srikanth:** We expect it might go down 10 to 15-bps around.
- T. Karunakaran:** We got a 600 crores refinance. We want to give priority in availing a refinance from NHB because we will get a cost benefit. Of course, the cost will be decided at the time of arrangement, what kind of book we are giving to them, whether it is affordable segment, non-affordable, whether it is urban, rural, so many factors are there. My guess is we will get a cost benefit of in and around 10-basis to 15-basis points immediately. That is my guess.
- Saurabh Dhole:** Overall cost of funds will go down by?
- Shanthi Srikanth:** The overall cost of fund our actual borrowing with the public sector bank is around 80%. Public sector bank majority, the MCLR-linked loans, so much of a reduction might not happen from that side, provided the repo gets changed and they may also increase. So, if not given any indication at this moment, the NHB will help us in reducing the cost of funds by 10 bps.
- T. Karunakaran:** Madam rightly said we are not expecting any reduction in bank borrowings. Yes, that the NHB refinance will help me to reduce our cost of borrowing by at least 10-basis points in quarter. My guess is next quarter, I am not expecting any reduction in cost of funds and maintaining this cost of funds will be really challenging.

- Saurabh Dhole:** Got it. Thank you so much.
- Moderator:** Thank you. We will take our next question from Rajiv Mehta of Yes Securities. Rajiv, please go ahead with your question. Rajiv, please unmute your microphone.
- Rajiv Mehta:** Very quickly I think you touched upon Karnataka that the growth has improved, but when I look at Q-on-Q growth as reported by which 0% growth. Why and why it has not grown? There is another large market which is AP. which is again growing very slowly. So when you combine these two markets, they are 20% of the book, but the growth is not coming through in these markets. So when do we see even these geographies contributing towards growth and hence the overall disbursement number looking better? Or is it like we have not added enough people on the sales front in these markets and which is why the growth is not coming about, so you can just give us some idea about whether these geographies will come back to growth and whether they can incrementally add to your disbursement volume per month or on a per quarter basis.
- M. Raja:** Rajiv, I will take this question. When I am talking about Andhra Pradesh, there was a requirement of team alignment, which we have done in the last quarter. That is Q4, we have already done that and we have put a specific leadership there. So this year, I should see growth from there and on the Karnataka front, the e-Khata issue is now fizzling down. So I should expect a lot more growth from Karnataka and more than Karnataka, Andhra, and Telangana, now we are seeing very, very green shoots from Maharashtra, Madhya Pradesh, and Rajasthan markets. So my non-TN is poised to give me good numbers for this year. Have I answered?
- Rajiv Mehta:** I get that, but I have not seen you adding more sales people, I think, off late in recent quarters, because when I look at your total employee count in the last three quarters, I think it is stable. Is it the fact that you are waiting for more productivity to first manifest and then add people in certain regions? Are you even thinking about adding having two salespersons in a branch besides the branch head the whole issue is that since you have a pretty high run rate of pre-payment, partial pre-payments, and then pre-closures even from own money because of your customer profile, we need to push the disbursement run rate per month, per quarter, much, much higher and for that, we will require people, will require pricing as a strategy or maybe we will require new distribution. Can you please elaborate?
- M. Raja:** Rajiv, in non-TN branches now, we have done a major rejig of all my branches. So we are looking at high performance branches and we have also put in place a city sales manager kind of a profile and now we are looking at adding more feet on street. That is my direct sales team and others, we are looking at increasing my feet on street, which will be a low cost grassroots level employee. So, along with all these efforts, we expect the business to increase multifold



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in these regions and which should be evident in the coming quarters. If not in Q1, at least in Q2, I am looking at a much, much higher contribution from non-TN states, Rajiv.

- Rajiv Mehta:** Which states, non-TN, yes.
- M. Raja:** Non-TN states.
- Rajiv Mehta:** Correct. Just one last thing from my side. Did we have any, since you recovered a lot of NPAs and resolved them, roughly about Rs.40-odd crore, because Rs.5 Crores was a write-off, Rs.40 Crores was NPA resolution and recoveries. Were there any one-off interest recoveries also associated with it, which got booked, in the revenue line in this quarter?
- T. Karunakaran:** We have done in lot of cases.
- Rajiv Mehta:** But the block of NPA resolution was higher in this quarter of Rs.40 Crores. Generally, it would be interest recovery element or number be higher, much higher in this quarter.
- T. Karunakaran:** Actually, Mr. Rajiv, we know well that we are following Ind AS, In Ind AS even NPA accounts also we are recognizing as and when it is accrued. It is due for accrued. Not like IRAC. IRAC norms, once account become NPA, we will not recognize whatever the NPA is already recognized we have to reverse.
- Rajiv Mehta:** Okay, so you were already recognizing.
- T. Karunakaran:** Right.
- Shanthi Srikanth:** It is recognized net of provision.
- T. Karunakaran:** Net of provision we recognize. So that impact will not be there. Because of recovering NPA, my revenue will not go up substantially.
- Rajiv Mehta:** Got it. Yes, so I am done. I think if there are more questions, we can take one or two.
- Moderator:** Rajiv, due to paucity of time, we will take that as the last question for today and on behalf of Repco Home Finance Limited this concludes today's conference call. Thank you all for joining us and you can now click on the leave icon to exit the meeting.
- T. Karunakaran:** Thank you Mr. Rajiv. Thank you for all participants for actively participating in this concall. Thank you.



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Moderator: Thank you, everyone.