"Repco Home Finance Limited
Q1 FY2027 Earnings Call"

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

Moderator: Ladies and gentlemen, good day and welcome to Repco Home Finance Limited Q1 FY2027 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.

Rajiv Mehta: Yeah, thanks Swapnil. Good evening, everyone. Thank you for joining this Q1 FY2027 Conference Call of Repco Home Finance. From the management team, we have 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, Chief Financial Officer. With this, I hand over the call to Mr. Karunakaran for his opening remarks, post which we can open the floor for Q&A.

T. Karunakaran: Yes, thanks Mr. Rajiv. Good evening to everyone. I would like to welcome to the earning call of our Company for the quarter ended June 30, 2026. First, I thank you all for joining in this call. The detailed financial results and operational highlights have already been shared in the investor presentation and published earlier and also available in our website. For the benefit of attendees who have not had the opportunity to review the financials, I will brief the performance of our Company before we move into the Q&A sessions. Our sanctions stood at Rs.938 Crores as against Rs.907 Crores in FY2026 and disbursements at Rs.843 Crores as compared to Rs.829 Crores in Q1 FY2026. In the month of April, we have transferred a few branch heads and second line officers and in the month of May, we have promoted an eligible candidate to next cadre. This is the process we used to conduct every year. This year, this process affected our disbursement in June quarter. Now our people are settled in the new places of posting. Disbursements are happening as per our expectations. July disbursement and disbursement from August 1, 2026, to till date are in line with our expectations and AUM stands at Rs.15,990 Crores as end of June 30, 2026. We have seen 8.9% year-on-year growth in the AUM. The Rs.15,990 Crores is excluding disbursed cheque but not realized. Almost 57% of our book is coming from Tamil Nadu. Our book is well diversified. We have not seen significant shift or changes in salaried and non-salaried profile of the borrowers. The ratio of exposure between non-salaried and salaried segments stood at 53.5 % and 46.5 % respectively. The share of non-HL that is a home equity loan is stood at 29% and home loan stood at 71% as end of June 2026.

In respect of book quality, we continue to maintain a strong focus on asset quality. As end of the June, our GNPA in absolute terms, stood at Rs.427 Crores with the GNPA ratio of 2.7% compared to Rs.405 Crores and 2.6% in the previous quarter of the same period. On year-on-year basis, we have seen significant improvement in asset quality. Our gross NPA was 485 crores as end of the June 2025, and our gross NPA stood at Rs.425 Crores as end of the June 2026. We have seen substantial reduction in NPA on year-on-year basis. In terms of percentage also, we have seen improvement on year-on-year basis. Our systematic and regular follow-up would result reduction in NPA in going forward. Our NPAs and over dues in new loan book is under control.

Coming to the provisions, the ECL provision, the cumulative ECL provision, as on June 30, 2026, stood at Rs.352 Crores. Our PCR that means stage three provision to stage three gross assets is about 54%. Coming to stage two, our stage two numbers are at 7.2%, broadly stable compared with 7% in the previous quarter and showing a significant improvement from 9.7% a year ago. In stage two and as well as NPA accounts, we are recovering, but the recoveries are not sufficient to upgrade to account as a standard. We are making a substantial recovery in both stages, stage two as well as stage three, along with the penal interest, other charges we are recovering, but recoveries are not sufficient enough to upgrade them to a higher category.

Coming to the borrowing side, the cost of funds of the Company stood at 8.3%. The borrowing mix remains at 86% from banking system and 6.2% from NHB and 4.8% from Repco Bank and out of total borrowings, NCD contribution is about 1% and about 0.5% from CPs and PTC. During the current financial year, we have received a refinance support from National Housing Bank to the extent of Rs.600 Crores. Out of Rs.600 Crores, we already availed Rs.106 Crores during the first week of August. Remaining amount will be utilized shortly as and when we need funds.

Coming to the profitability, our net interest income increased to Rs.216 Crores as against Rs.207 Crores in last June. Our NIM for current quarter stood at 5.4. We are able to maintain a 3.4% spread for quarter ended June 2026. Our net profit stood at Rs.114 Crores as against Rs.108 Crores in the previous year. Our ROE and ROA stood at 12.7% and 2.9% respectively. We have taken various steps to reduce our cost. If you see the numbers, we have seen reduction in cost year-on-year basis as well as sequentially. Our cost-to-income ratio stood at about 26%. As end of June, our credit cost stood at 0.2%. During the current quarter, we have not opened any new branches. Our branch count stood at 242 branches. Out of 242 branches, about 32 satellite centres we are having. For current financial year, we want to open another

12 to 13 branches and many of the branches will be in places like AP, Telangana and Karnataka and West side of our country. This is our performance of June quarter.

Going forward, our priorities will be to accelerate the disbursements, our transfers. The promotion exercise slightly affected our disbursements. Now our people are settled, so we will accelerate our disbursement while growing. We want to maintain the quality in the asset. We do not want dilution or compromise in the quality of asset for the sake of growth. We will improve our operating efficiency. We want to diversify our liability side. We got Rs.600 Crores refinance and we are negotiating with our bankers for reducing our rate of interest. This is our plan for this current quarter.

In respect of guidance, I stick on a guidance of what I have given in my last concall that is Rs.5000 Crores disbursements and 13% to 14% growth in the AUM and reducing NPA by Rs.40 Crores. This is the guidance what I have given in last con call. We are sticking on the guidance all year. For current quarter, we are targeting Rs.1,200 Crores to Rs.1,250 Crores disbursements and we set a target to bring down June NPA to last March NPA level. That means our June NPA was about close to Rs.427 Crores. This number we want to bring it down to around Rs.405 Crores. This is what we want to do it in current quarter. We thank each one of you for showing interest in our Company. It is now I open the floor for Q&A. Over to Mr. Rajiv.

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 each 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. Ladies and gentlemen, please remain connected. We will take a first question from Gurumurthy of HNI. Please unmute your connection and go ahead. Can you hear us? Gurumurthy, can you please go ahead? Would you like to try it one more time? Can you unmute your microphone once?

Gurumurthy T: So, I just wanted to know, if I check the long-term growth of Repco Home Finance, I find it disappointing because the starting rate of interest of Repco Home Finance is something like 11% for a lender. Am I right or wrong?

M. Raja: Sir, by lender you mean the rate that we give to our customers?

Gurumurthy T: Correct, customers.

M. Raja: Sir, we start from 8.75% and our average is 10.5% for housing loans.

Gurumurthy T: But what I find out across the home finance companies, some banks are giving like average rate of interest on home loans is something like 8.5% to 8.75% and with respect to Repco Home Finance, I find it.

Mr. A. Palpandi: It is purely based on cost of funds, Sir. It is purely based on cost of funds.

Gurumurthy T: Agreed. No. I am not connecting the cost of funds at all. I am just saying that let us say, for example, if I am a customer, I come to Repco, I may end up paying 10.75%, 11% also in certain cases, but if I go to a general home finance Company, I will definitely get lower rate of interest.

Mr. A. Palpandi: Sir, the rate of interest fixed based on your income, rating, cibil score and everything, so many factors are there. It depends on the customer.

T. Karunakaran: Sir, first, the rate of interest is fixed based on what customers and on the cost of borrowing of each institution. Bank's cost of fund is entirely different. They are having a CASA for which they are paying around 3%, 3.5% or something like that. For our Company, it is not like that. I am borrowing from the banking system, National Housing Bank and Lending. So, the average cost itself, is around 8.3% to 8.35%. In this scenario, lending at PSU rate, it is not at all possible for me. It is not at all viable business for the Company, number one. Number two, my set of target customer is not like PSU set kind of target customer. PSU set of customers is entirely salaried, pure salaried class customer. My set of target customer is not like that. They are working in unorganized sector. They are doing business. They will not have a sufficient income proof to show their cash flows and income, I am targeting those borrowers, number two. Number three, the ultimate pricing depends on the profile of the customer on risk basis. I am ascertaining the risk of the borrower based on 16 to 17 parameters, based on that price will be fixed. This is the system what we are following. Even some of the housing finance companies NBFC are offering at 17% to 18% and people are going.

Gurumurthy T: I have taught economics for post-graduation. I find it amusing to hear this that people are going for this. That is again like just like an unregistered money lender. One more thing I wanted to ask. If Repco Home Finance cannot give returns to its shareholders, why is there any restriction on you to diversify your business? I will give you an example. If a shareholder has subscribed to IPO of Repco in 2013, and you compare the current market price, he has hardly made any money. Now, with respect to myself, I am one of the top 100 shareholders in the Company. I hold a very high quantity of shares in Repco Home Finance because I believe that Repco may also diversify into other lines of business, which I find it could not do so, it is following the same old system of taking it from banking system and passing it on with a margin of 2% to 3%. So as a customer, I am the biggest shareholder amongst individual shareholders in Repco because I hold more than 2,25,000 shares, but I find it amusing that tomorrow if I have to buy a huge house, I may not be able to take the loan from Repco as a genuine customer, but I will be going to banking system because they are flush with funds and the average rate of return is 8% to 8.5%.

T. Karunakaran: As a policy, as a principle, I will not make any comment on our share price in the market.

Gurumurthy T: Agreed, but my question again remains, since your system is fixed, are you going to diversify into other lines of business.

T. Karunakaran: Right now we do not have any idea. We are expert and we are in the field for 25 years. We know only housing finance business right now. We do not have expert and expertise in other business. Let us see. Let us examine. Right now, we do not have a plan to diversify our business. Though we do not want to diversify our business, we will be very aggressive in business disbursements going forward.

Gurumurthy T: But aggressiveness at a higher rate of interest is difficult.

T. Karunakaran: No, see, as Mr. Raja said my initial rate is, the beginning rate is 8.75%. Yes, with that rate, yes.

M. Raja: Sir, as such, there is a market segment in this rate also. Sir, what you are talking about is a vanilla product or what we call as a primary housing loan market, where it is at 7.5% and 8%, but there is also a market in our country for our kind of products, and many players are there in that market. We are trying to garner our own market share, increase our disbursement and bring in more profit's shares. We are working towards that, but we will be more aggressive from now on, Sir. That is what we have planned also, and our plan is in place, Sir.

T. Karunakaran: So, if you look at our disbursement number for last eight to nine quarters, we are seeing increasing trend now that everything is settled. We have done IT revamping, so many things, structural changes we have done. All the things are stabilized. Now, we have shifted to aggressive mode. Going forward, you can see substantial improvement in the disbursement as well as growth in the AUM.

M. Raja: And also, Sir, we have an HFC license, Sir. So, diversification is not going to be an off the cuff for us because for an HFC license, we are allowed to do only housing loans or mortgage loans, if I can say that.

T. Karunakaran: Of course, we people only know housing finance.

Gurumurthy T: What I meant was, if you are flushed.

Moderator: Sorry Mr. Gurumurthy, would you like to rejoin the queue. We have other participants as well. Thank you. We will check our next question now from Mr. Prithviraj Patel of Investec. Prithviraj, please unmute your microphone and go ahead.

Prithviraj Patel: Thanks for the opportunity. So I just had one question like this month-end disbursement impacted by the cheque issue, so ex of that, what is the gross level disbursements that we have done because the sanction also seems sort of low? So, if you can give that bookkeeping query.

M. Raja: For a monthly basis, my month end disbursement, which will be at around Rs. 35 Crores to Rs.40 Crores, month-on-month, would be carried forward. So that is a cyclical for me. So except for that, there will not be much of an operation, Sir, in the numbers, whatever we have reported that is a business as usual for us. Every month, every year, yes.

Prithviraj Patel: Okay, so the Q1 disbursements, they have been impacted by the cheque?

M. Raja: Yes, Sir. My June month number, which is part of the Q1, my June month number would have that operation, Sir. Yes.

Prithviraj Patel: Thank you.

Moderator: Thank you. Requesting participants to please click on the raise hand icon if you wish to ask a question. We will take a question from Rajiv Mehta of Yes Securities. Rajiv, please go ahead.

Rajiv Mehta: Sir, just to, have the visibility clear about the growth that you're talking that you will do. Can you tell us some business numbers for June and July, whether the momentum is back to the normal levels? What is the monthly disbursement, run rate we are, exhibiting in August, because you are talking about Rs.1200 Crores and Rs.1250 odd Crores from straight away at Rs.40 Crores, so can you give us more confidence about how June and July has been in terms of numbers?

M. Raja: Yeah, Rajiv, on the June month and July month disbursement has been on track. As whatever commitment we are given of Rs.1,200 Crores per quarter, we are on track. First quarter, as usual, every month, that is a trend for us. Whether we like it or not, that is a trend for us, but this quarter is looking good. Even in the Q1, my June month numbers have been good. My July is even better and August, hopefully, I am looking at clocking more than whatever we have done. So, my numbers are in track and for the year, yes, we are on track for Rs.5,000 Crores.

Rajiv Mehta: So, I mean, you are pretty sure that we are sitting?

T. Karunakaran: Yes. I am pretty sure and confident that we will be able to achieve Rs.1200 Crores disbursement. Since this is a price sensitive information, as per our own policy, I am not supposed to disclose numbers right now, but the disbursement what has happened in July and till date from August to till date in line with our expectations and I am sure based on that only we have arrived at Rs.1200 Crores disbursements.

Rajiv Mehta: And so, between what you did and what you missed in, Q1 and now the Q2, the momentum is pretty much very good? Have you changed any of your policy regarding pricing, about customer selection, or it is with the same policy, same pricing that you have been able to get?

M. Raja: Rajiv, as you are aware, we have not made any major changes either in our policy or in our organization setup, but in the sourcing, we have brought in more focus on sourcing channels. There is a small alignment change in our sourcing channels from DSA to other ways and all those things, but those are all very, very marginal and now the focus is more, the pressure is more, the team has been set in place now. So, the clock has started ticking that is all.

T. Karunakaran: In connection with interest rate, as end of the June we are maintaining about 3.4% spread. We want to grow, want to show aggressiveness in the disbursements. Maintaining this level of spread will be really challenging. Though we have not changed the policy level, changes in the pricing system, case by case, I may need to sacrifice some portion in the part of fixing a rate of interest. So, the spread may slightly come down going forward.

Rajiv Mehta: Okay and that is essentially from the fact that you want to be slightly aggressive on disbursement and even the cost of fund will increase.

T. Karunakaran: I am not foreseeing any increase in the cost of fund because NHB has sanctioned Rs.600 Crores refinance facility. Of course, I have undertaken Rs.100 Crores. With that, I will compensate whatever increase in cost of funds. The cost of funds will be stable at the present level.

Rajiv Mehta: Sir, I also see this elevation in your runoff of the book. Even in 1Q, the runoff of the book is higher than 4Q, meaning that there is a significant indirect competition through BT outs, so is the reading right that the BT out would have been higher in Q1 versus Q4 and if the BT out is going up, what are we doing to ensure that wherever prudent we can, retain good quality customers by offering good rates or offering a top up one?

T. Karunakaran: Yes, we already decided. We have seen a spike in BT out in the June quarter compared with the March. We decided to retain the good customer, those who are having a good track record of 24 months and a good source of income and good LTV and having a CIBIL score we decided to reduce and offer some good concession to retain the customer to avoid BT outs.

M. Raja: Rajiv, this is the other side of my coin of being aggressive. Because when I am being aggressive in the market with my marketing activities, I become visible to all my competitors and they start targeting me. So it happens. We are geared up and we have stepped up our retention efforts and there is a bit of sacrifice on the rate of interest for BT out also, we are working on it.

T. Karunakaran: Of course, we have also rolled a new incentive schemes for BT outs, those who are putting efforts and convincing the borrower and retaining the customer, we have introduced a new incentive scheme. I hope it will work. Going forward, we can see a reduction in BT outs. I have to sacrifice my spreads. Maintaining the spreads and controlling BT outs. For aggressive disbursements and controlling BT out, I need to sacrifice some portion on spread.

Rajiv Mehta: Understood. Yes, I will step back and Swapnil, you can go back to the queue.

Moderator: Thank you, Rajiv. Requesting participants to please click on the raise hand icon if you wish to ask a question. We will wait for the question queue to assemble. Participants are requested to click on the raise hand icon. Ladies and gentlemen, please stay connected. We will take a question now from Sanjana Sivaram of DAM Capital. Sanjana, please unmute your microphone and go ahead.

Sanjana Sivaram: So, thank you for taking my question. There has been some asset quality deterioration across stage two and stage three, so is there any colour you can give us on is, was this business as usual, or is there something to call out over here and maybe what, if there was any geography specific, asset quality in short?

Mr. P. K. Vaidyanathan: As told by our MD, this marginal increase in the gross NPA is only because of the slight disturbance due to transfers and promotions, but they were settled in June itself. So, in June, we have shown a very good figure. If you compare with the last year, last year also Q1 we have shown marginal increase. That will be settled down in the coming quarters. In the Q2 itself we will bring down to March figure.

T. Karunakaran: In addition to that, yes, recoveries are happening in NPA accounts, recoveries are happening in stage 2 accounts even along with the penal interest and other charges being collected but the amount what we have collected from the borrower is not sufficient to upgrade to next category of asset.

Sanjana Sivaram: Okay. So, going forward, can we expect recoveries to outpace the provisions?

T. Karunakaran: Yes, recoveries will improve. In opening remarks, I told we want to reduce our NPA by Rs.40 Crores for current financial year and by September end, we want to bring down NPA level of Rs.425 Crores as end of June to around Rs.400 Crores. That is our target. I am sure and confident we will achieve the numbers I have given as guidance.

Mr. P. K. Vaidyanathan: In addition to that, we have already bifurcated this NPA into two divisions, number one, soft NPA and another one is a chronic NPA. Soft NPA is the slippages from April 2025 to June 2026. We are monitoring those cases through separate vertical called Regional Vertical Managers. We have allocated around 40 accounts to each RVM. Total accounts we are having is around 1,000 to 1,100 cases. Around 40 to 45 accounts allocated to each RVM's. So we are expecting even if we reduce at least 50%, we can easily reduce around Rs.70 Crores to Rs.75 Crores. On the other side, we are also targeting the chronic NPA. We have strengthened our recovery agencies and revised the timeline and the phase structure for them. We are vigorously taking the legal actions under SARFAESI. Simultaneously, we are attacking both the soft NPA as well as the chronic NPA. With these steps, we can easily achieve our target of less than 2% NPA by the end of March 2027.

Sanjana Sivaram: So, I have one more question. So we have already seen a little bit of spread compression this year, so as you do call out a little bit more for those, so how much do you think for the, this year we could see, and do you see that effect we have been doing around ballpark of 3% ROA for a bit? So, do you see the spread compression to overall effect how we see our ROA doing on this?

T. Karunakaran: Yes. See, at end of the June, my return on assets stood at about 11.75% and cost of funds is about 8.31% and we are maintaining a spread of 3.44%. Of course, we got a refinance from National Housing Bank to the extent of Rs.600 Crores of which,Rs.100 Crores I have already availed, the refinance already availed and what I am going to avail from NHB in another two or three months, will help me to reduce my cost of funds, number one. I am also putting a lot of pressures to existing bankers to reduce the interest rate. We will be aggressive in the growth going forward. Our BT outs in Q1 are slightly higher compared with March. To arrest BT out, to improve the disbursement, we need to sacrifice some basis point yield on advances. So ultimately, my spread may, going forward, may come down by 10 to 12, maximum of 10 basis points in next coming quarter.

Sanjana Sivaram: And post which you are expecting it to be broadly stable?

T. Karunakaran: Yes.

Sanjana Sivaram: And any impact on the?

Moderator: Sanjana, please, would you like to rejoin the queue?

Sanjana Sivaram: Yes.

Moderator: Thank you so much. We are taking the next question now from Pulavarthi Kiran of Pulavarthi Fins of LLP. Pulavarthi, please go ahead. Yes, you have unmuted. Please go ahead. We can hear you then. Do you want to try it one more time? Please unmute your microphone.

Pulavarthi Kiran: Sir just in the last couple of years, you had, what I can suspect a lot of time in improving the technology, upgrading the technology, and increasing the branch network and then also you have hired a lot of people. If you can just take a step back and then guide us through what you have done, and then where do you stand in this transformation journey, how it could help the Company for the next couple of years in terms of the growth and bringing in the consistency that will be really helpful Sir.

T. Karunakaran: Yes, we have carried out the entire IT transformation in two phases. The two phases we have implemented successfully. Mobile applications we have rolled out, which is helping us to improve our turnaround time in sanctioning of the loan. We have done a lot of API's in the last three to four months, like linking with other applications like Perfios, CERSAI, and CIBIL. We have done a lot of integrations, which is helping us to improve our turnaround time, number one. Number two, the biggest structural changes what we have done is verticalization. Earlier our branch head is responsible for all the activities like from marketing, sourcing the proposal to recovering NPA, initiating SARFAESI, so many things he will have to handle. That model is okay for particular size of the book. We want to take the Company to next level. We felt that verticalization or specialization is needed. We have done verticalizations. We established a separate vertical for recoveries, collections, even NPA management for SARFAESI. We are having a separate vertical to take care of initiating SARFAESI recovery, selling of the properties. To monitor SARFAESI accounts, we are having a separate vertical to monitor the older NPA accounts and also new NPA accounts which have slipped in the very recent past. Earlier branch is responsible for sales. Now we are having a separate sales vertical. We have had arrangement tie ups with a few DSAs market leading DSAs, and we have recruited DSTs. Now we are having connectors also. So, this structure change is really helping the Company, to improve the performance, which is evident from the disbursement numbers. Quarter-on-quarter, barring June quarter, our disbursements are going up. Now we are settled and going forward, we will be more aggressive in the disbursement, and you can see that change in growth and increase in AUM going forward.

Pulavarthi Kiran: And Sir just my earlier question as well. In certain geographies, you added people. Even if I look at now, the AUM by state, Telangana is doing well. Tamil Nadu is probably in the double digit, but the rest of the states, there is some uneven growth. Would you like to look at the business from the geography standpoint, or you are more comfortable looking at the overall NBFC level, how the growth is coming in?

M. Raja: Yes, Kiran, see, last year we took a holistic approach and across the country we were recruiting sales team, bringing in verticalization, all those things has been done and now we have got a consistency of number overall, but this year, starting, we have started concentrating on non-TN states. To start with the southern non-TN states like Andhra, Telangana, and Karnataka, we want to do good. Then we already have in pipe of Maharashtra, Rajasthan, and Gujarat and of course MP. There also we are putting a very strong team in place. So, by this year and by the next year, we should see very considerable traction and growth in those areas also. That is what we are planning because Tamil Nadu, we know we are already there and our numbers are good in Tamil Nadu. Other than Tamil Nadu, we want to grow and we are already on the track for it.

Pulavarthi Kiran: One last question from my side. How do you look at the competition at this point of time because we are seeing more HFCs coming in and then also we hear that there is a lot of competition on the ground? What is your take on the competition, Sir?

M. Raja: Kiran, looking at the vintage of 25 years for us, there has always been competition either in one way or the other. We have thrived with competition, and I do not think that is going to stop us going forward. Yes, competition will be there, should be there and we will grow.

Pulavarthi Kiran: Thanks Sir. This is helpful.

Moderator: Thank you so much, Kiran. We will move to our next speaker. We have Nidhesh Jain of InvesTech. Nidhesh, please go ahead.

Nidhesh Jain: So what is the target for disbursement for FY2027 and what are the reasons why the disbursement in Q1 is flat Y-o-Y? We were doing quite well on disbursement last year, but Q1 is flat Y-o-Y, so what is the reason for that?

M. Raja: As briefed by my MD in the opening comments. My guidance or our guidance for this year FY2027 is Rs.5,000 Crores. Q1, by our DNA, by our practice has always been slow for us because we will have all promotions and transfers in April and May. So that unsettles a lot of our branches and teams. Now, it has settled down. We are the same this year also. Now, it has been settled down. My June figures, that is June month figures have gone up. My July is very good. August is also showing up. So, that is business as usual for us. We will make up whatever backlog is there in the Q1. For the year, we are confident about achieving Rs.5000 Crores of disbursement.

T. Karunakaran: For current quarter, yes, we set a target of doing Rs.1200 Crores to Rs.1250 Crores disbursements.

Moderator: Nidhesh, would you have any other question?

Nidhesh Jain: No, no. That is it from my side.

Moderator: Thank you, Nidhesh. We will wait for a few moments until the question queue assembles. We have Abhijit Tibrewal here with his question from Motilal Oswal. Abhijit, please go ahead.

Abhijit Tibrewal: Thank you, Sir. Just one question. I joined in a bit late. So not sure if you already addressed this. If you have, let me know. I will look through the transcript, but a lot of housing finance companies this quarter have moved to encashment basis of accounting when it comes to disbursements and AUM growth. Have we done something similar this quarter or any plans to do that?

M. Raja: Sir, from last two to three quarters itself, we have moved to cheque handover date. That is, as per guidelines, we start booking the interest only from the date of cheque handover and we are following up the same and we are in line with the regulation on that.

Abhijit Tibrewal: No, which is correct, Sir, but what I am trying to understand here is, the regulations, like you rightly said, are saying that start accruing interest income from the date of handover of cheque, but what we have seen of late in the last maybe one quarter or two quarters, most of the other housing finance companies have gone one step forward and they have started booking interest incomes. They have started showing that loan as a disbursement and as part of their loan book only after the amount given to the customer gets encashed?

Shanthi Srikanth: Yes. We are always checking only after the encashment into the AUM. Not just by issuing a cheque, we will not take it into the AUM account. So, we have been doing this only on encashment from the beginning.

Abhijit Tibrewal: Assuming, just for the benefit of everyone on the call, you are saying that we account for interest income as well as we show it as a disbursement or as part of the loan book only after the cheque gets encashed.

M. Raja: Yes. That is our practice.

Abhijit Tibrewal: And since how long has this practice been there, that account for interest income and account for that amount as disbursement only after the cheque gets encashed for how long this practice has been there?

T. Karunakaran: For three to four quarters.

Abhijit Tibrewal: For three to four quarters. All right, Sir. That is all I have. Thank you so much for answering my question.

Moderator: Thank you so much, Abhijit. Participants, if you wish to ask any more questions, please click on the raise hand icon on your participants tab. We will wait until we have any questions in the queue. Requesting participants to please click on the raise hand icon. It seems we do not have any more questions. I will now hand it over back to Karunakaran Sir for his closing comments. Over to you, Sir.

T. Karunakaran: Yes. Thank you to all participants for actively participating in this concall. We will meet post September results again. Thank you.

Moderator: Thank you so much. Ladies and gentlemen, 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. Thank you all for your participation.