

Q2 2025

1. Revenue growth metrics

- **Narrative:** Management has expressed confidence in strengthening the company's financial position through a strategic rights issue valued at INR 550 crore. This move is expected to bolster stakeholder trust and support, reflecting the promoters' strong backing and commitment to the company's growth trajectory.

- **Management's Guidance:**

- Management has confirmed the implementation of a 550 crore rights issue, emphasizing that it has the full support of promoters, which is anticipated to instill confidence among all stakeholders.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

2. Profitability analysis

- **Narrative:** The management has provided insights into the company's financial strategy by highlighting expected provisioning, which plays a crucial role in shaping profitability outcomes for the upcoming quarter. This demonstrates a proactive approach to managing financial risks and aligning with the company's strategic goals.

- **Management's Guidance:**

- Management has given an early estimate of expected provisioning to be between 500 to 550 crore for Q2 FY25. This estimate is subject to limited review by auditors, indicating a focus on transparency and preparedness in financial reporting.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

3. Cost management strategies

- **Narrative:** Management discussed the implementation of strategic financial measures to bolster the company's liquidity and financial stability, including a rights issue intended to raise substantial capital.

- **Management's Guidance:**

- Management anticipates completing the rights issue process, targeting to file it within the current quarter, which is expected to enhance the company's capital structure and support ongoing cost management strategies.

- **Actual Results:**

['Q2', '2025']:

- Cost to Income ratio stands at 40.41% for Q2 FY25, and operating cost has increased by 21 bps on a quarter-on-quarter basis. Operating cost for the MFI business is 6.18%, and MSME business contributes 0.30% for Q2 FY25.

- **Evaluation:**

- **Expectations Not Met:** Management anticipated that the rights issue would enhance the company's capital structure and support cost management strategies. However, the cost to income ratio remains high at 40.41%, and there's an increase in operating costs, indicating that the expected improvements in cost management were not realized.

4. Branch network strategy

- **Narrative:** Management has outlined a strategy to enhance operational efficiency and expand the branch network. This includes a targeted recruitment drive as part of the first phase of expansion, which is aimed at strengthening the branch network across the region.

- **Management's Guidance:**

- Management has indicated that they have already extended offers to approximately 60 individuals in the initial phase and plan to implement these changes across 200 branches.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

5. Customer acquisition strategies

- **Narrative:** Management has emphasized a cautious approach in acquiring new customers, indicating a strategic decision not to onboard customers if they have exceeded a certain threshold of overdue payments.

- **Management's Guidance:**

- Management highlighted the implementation of a new policy to ensure that only financially reliable customers are acquired, aiming to improve the quality of the customer base and reduce potential credit risks.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.

6. Workforce productivity programs

- **Narrative:** The management has concentrated efforts on enhancing operational efficiency by optimizing workforce productivity. A strategic move was made to reduce the customer handling load per relationship officer, aiming to improve customer outreach and engagement, particularly focusing on customers with

irregular attendance.

- **Management's Guidance:**

- Management has indicated a reduction in the number of customers handled per relationship officer to 380, which is expected to bolster customer outreach efforts and focus on those with irregular attendance.

- **Actual Results:**

['Q2', '2025']:

- 1ab983cf0b2678a14c620ae333a87264 --> we have already reduced our customer handling per relationship officer to 380 customers per relationship officer

- **Evaluation:**

- **Expectations Met:** The management's goal to reduce the customer handling load per relationship officer to 380 was achieved, aligning with the expected outcome of improving customer outreach and engagement.

7. Loan portfolio strategy

- **Narrative:** Management highlighted a cautious approach to managing the loan portfolio by implementing stricter indebtedness limits. The company has adopted a state-specific strategy, reducing the indebtedness cap to 1.5 lakh in certain states to mitigate risks and pain points. Additionally, they are engaging in more granular analysis at the village level to enhance understanding and management of the portfolio.

- **Management's Guidance:**

- Management has set a stricter indebtedness limit of 1.5 lakh in select states, aiming for more precise portfolio management and risk mitigation.

- **Actual Results:**

['Q2', '2025']:

- Data Not Available

- **Evaluation:**

- Insufficient Info: Data not available.