Company Name: Manba Finance Limited
Quarter under review: Q1-FY27
Manba Finance Limited– Q1-FY27 Concall Highlights:

Manba Finance Ltd (Consolidated)					
INR In Mn	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Interest Income	851	630	35.1%	924	(7.9)%
Net Interest Income	416	306	35.9%	498	(16.5)%
Total Net Income	491	366	34.2%	508	(3.3)%
PAT	133	98	35.7%	111	19.8%
Diluted EPS	2.64	1.94	36.1%	2.21	19.5%

Operational Highlights:

- Entered the South Indian market this quarter through a strategic tie-up, going live in Karnataka first with Tamil Nadu and other southern states to follow in a phased manner.
- Two new product lines went live in the quarter: secured MSME loan-against-property, and a dedicated battery replacement finance product for electric three-wheelers. Battery replacement financing targets one of the largest recurring costs for e-rickshaw and e-cart operators.
- Two-wheeler and three-wheeler demand held up well through the quarter, with disbursements growing 37% YoY on the back of continued execution across existing markets.
- AUM grew 22% YoY, with over 95% of the book remaining secured despite continued exposure to new-to-credit borrowers.
- Continued to deepen EV and rural lending through partner tie-ups, expanding reach in high-growth pockets rather than relying solely on organic branch expansion.
- Branch count and dealer network both expanded meaningfully during the quarter, strengthening distribution reach and last-mile accessibility.
- Portfolio diversification continues in the intended direction with two-wheelers, three-wheelers, used cars, EVs, MSME LAP and personal loans — reducing dependence on any single product line over time..
- In-house collections continue to keep asset quality contained even as the book scales and diversifies into newer segments.
- Capital position stays comfortably ahead of regulatory requirements, giving headroom to fund the South India and MSME LAP push without near-term dilution pressure.
- GNPA & NNPA both ticked down YoY even as the book scaled 22%+ and diversified into newer, less-seasoned segments — asset quality isn't being sacrificed for growth here.
- The Board declared the company's first-ever interim dividend of INR 0.25 per equity share (face value INR 10) for FY27, signaling management's confidence in the growth trajectory and a shift toward shareholder returns post-listing.
- AI voice agents and an upgraded loan origination system are being leaned on to hold turnaround times steady even as ticket volume and geographic spread increase — a scale-without-proportional-headcount bet.
- Gross Stage 3 (GNPA) improved to 3.41% from 3.47% YoY, with Net Stage 3 (NNPA) improving to 2.52% from 2.64%,which shows that the asset quality tightening even as the book scales.

Key Questions & Answers discussed during the Concall:

- **What's the ticket size and growth expectation for the three-wheeler battery replacement financing product?** This is a INR 60,000 ticket size product, introduced because after about 15 months of usage, three-wheeler batteries typically start giving issues and the vehicle can turn into an NPA if not addressed. We've launched this initially for our existing customers before opening it up more broadly, and we have tie-ups with OEMs who will also share some of the risk if things go wrong.

- **How do you plan to address the decline in capital adequacy ratio from 29.81% to around 25-26%, and is further capital raise needed to support growth?** We had already anticipated this need and are in the process of raising capital. We expect to raise INR 100 crore by September, or latest by October, through preference shares, to support our further growth.

- **What's the AUM expectation from the NammaLoan partnership for FY27, and when do you expect to break even?** With Sreesastha (NammaLoan), we're expecting to do around INR 60-75 crore this year. We've brought in a senior person from TVS Motor and TVS Credit to lead this, and while breakeven typically takes 9-12 months, the response we've seen in the very first month suggests it could happen in 6-7 months.

- **What AUM contribution do you expect from MSME LAP by FY27 end, and what's the ticket size and customer profile for this product?** We expect MSME LAP to contribute around 2-3% of AUM by year-end since we only started this year. We're targeting businessmen running shops of various kinds, with ticket sizes ranging from INR 8 lakh to a maximum of INR 20 lakh.

- **Beyond MSME LAP, which other products are you focusing on to bring down the two-wheeler share to 60-65%?** We're working hard on top-up loans and personal loans, as five of our six states have now matured over a nearly four-year journey, which is when top-up loans typically gain traction with customers. We've also onboarded many DSAs for personal loans over the last two years and appointed a senior management person to focus on personal loans, top-up loans and used two-wheeler loans, which are all showing good early traction.

- **How much of your technology is proprietary versus outsourced, and what's your technology capex plan?** About 90% of our tech stack — LOS, LMS and LAS — is proprietary, built and upgraded in-house over the years. MSME LAP is the first product where we've taken outsourced software with the vendor retaining ownership. We're currently investing considerably in personal loan software as we scale that product, and going forward our tech spend as a percentage of overall expenses should remain in a similar range to today.

- **Why did borrowings reduce this quarter, and what's the trajectory for cost of borrowing? Also, what's your borrowing mix?** Our borrowings came down mainly because we were sitting on healthy liquidity of around INR 350 crore as of March 31, 2026, so we didn't need to borrow much this quarter — we raised only around INR 100-150 crore while maintaining INR 200 crore of liquidity, which kept the cost of borrowing slightly elevated. In terms of mix, around 60% of our borrowing is term loans, 25% NCDs, and the rest is PTC and cash credit.

- **AUM growth was strong YoY but only around 1% QoQ despite the two-wheeler industry doing well — what are your focus areas to drive AUM from here?** Our second and third quarters are typically our strongest for two-wheelers because of festivals like Raksha Bandhan, Ganpati, Dussehra and Diwali, while Q1 sees relatively fewer festivals and some book rundown given our 35-40% growth pace. Despite that, our disbursement growth is still almost 35% this quarter, and historically we've always seen a big AUM jump in Q2 and especially Q3.

- **What NIM and ROA are you targeting for FY27?** We're targeting an ROA of around 3.5% for FY27. This is being driven by a changing lending mix, with high-yield products like personal loans, top-up loans and used two-wheeler loans now making up around 30% of our incremental lending, up from a much smaller share earlier, which should improve both ROA and ROE. Our cost of borrowing has also been reducing while lending yield increases, so net interest margin should remain in the 13-14% range.

- **Since your collection cost is significantly lower than peers, how is this helping cap your OPEX?** This is one of our biggest USPs — most competitors outsource collections to third-party agencies, whereas 85% of our collections are handled in-house through a team of around 600 people. This keeps our collection cost much lower than competitors and directly supports our overall OPEX.

- **What's your criteria for selecting a new state, and what are the terms of the NammaLoan partnership? Also, any plans to expand into northern states?** We look at the market size for the product, transunion data on repayment cycles and loan performance in that state, competitive intensity, and our ability to reach 15% market share within four years, along with having the right local leadership and comfort with OEM presence. On NammaLoan, it isn't a co-lending arrangement — it's 100% our funding with complete hypothecation in Manba's name, working more like a channel partner. As for northern states, there's no expansion planned this year as we're focused on deepening UP, MP, parts of Rajasthan, and executing our newly started South India expansion.

- **What role will technology and digital initiatives play in improving efficiency and customer acquisition?** Technology plays a very vital role for us as a retail NBFC, where speed is everything — our STP already approves around 60% of loans within a minute. We've now extended digitization beyond approval into disbursement as well, with everything now digitally enabled through scan-based processes, e-sign and more. We'll continue taking necessary initiatives in line with competitors and global technology trends.

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