Operator: Good evening everyone. It gives me immense pleasure to welcome all of you to the Q1 FY27 earnings conference call of Jio Financial Services Limited. My name is Deepak Daga and I head strategy and investor relations for Jio Financial Services Limited. On the call with us today, we have Mr. Hitesh Sethia, Managing Director and Chief Executive Officer of Jio Financial Services Limited, who will take us through the operating performance across all of our businesses.

We are also joined by Mr. Kashinath Hariharan, Managing Director and Chief Executive Officer of our subsidiary Jio Payment Solutions Limited, who will take us through the performance and strategy of the Payment Solutions business. In addition, we also welcome our new Group Chief Financial Officer, Ms. Annapurna Venkataraman, who will take us through the overall financial performance for the quarter.

The earnings presentation for the quarter has been uploaded on our website www.jfs.in as well as on the stock exchanges. I would like to remind all participants that this call will be conducted in a listen-only mode. Before I hand over the call, I would like to read out the safe harbor statement. This presentation contains forward-looking statements which may be identified by their use of words like plans, expects, estimates, or other words of similar meaning. All statements that address expectations or predictions about the future, including but not limited to statements about strategy for growth, product development, and market position, are forward statements based on rationale and data. Actual results may vary materially given the market circumstances. I will now hand over the call to Hitesh to discuss our business in detail.

Management: Good evening everyone and a very warm welcome to our earnings conference call for the first quarter of fiscal 2027. I am happy to report yet another strong quarter of performance and that the financial year has gotten off to a robust start for us. When we set out on this journey, our stated North Star was the absolute democratization of access to world-class financial services for 1.4 billion Indians. This quarter marks a profound acceleration towards that mission.

We are completely shifting the paradigm of Indian financial services by leveraging cutting-edge technology, data analytics, and AI to deliver experiences that are not just digital-first but intelligent always and hyper-personalized for the financial well-being of our customers. Today, we will take you through how our core business operations are scaling up, establishing themselves as the primary engine of long-term value creation.

Moving to our business performance for the quarter, you can see the growth and velocity we are achieving across all business segments. This traction across our diverse portfolio of businesses is a direct validation of our full-stack financial ecosystem hitting critical mass. Our lending business, Jio Credit, saw its gross AUM surge 2.6 times year-on-year, standing at 30,667 crores. Our high-frequency customer engagement layers are exhibiting stellar growth. Jio Payments Bank deposits grew 1.7 times to 617 crores, while Jio Payment Solutions Limited grew its total payment volume by 2.5x to 19,208 crores. On the protection and investment fronts, insurance premium facilitated reached 238 crores. Jio BlackRock AMC, in just about a year of entering the market, has scaled its closing AUM to 8,412 crores. Finally, our newly operationalized reinsurance business, Allianz Jio Reinsurance, underwrote 266 crores premium during its very first full quarter of activity.

This demonstrates how this operational velocity is translating into high-quality financial performance. Our consolidated total income, excluding dividends, grew 141% year-on-year to 1,496 crores. Pre-provision operating profit or PPOP grew 38% year-on-year to 505 crores. Profit before tax or PBT, excluding dividends and an exceptional item in Q1 FY26, expanded 18% year-on-year to 461 crores. Including dividends, profit before tax rose 131% year-on-year to 970 crores. From an accounting standpoint, this quarter marks the full line-by-line consolidation of Reliance Services and Holdings Limited as a 100% step-down subsidiary. Our Group CFO, Ms. Annapurna Venkataraman, will touch upon this later during this presentation.

Crucially, our core business operations are now firmly established as our primary financial anchor. The profit of our NBFC increased 113% year-on-year to 96 crores, driven by sustained growth in the loan book. What is equally encouraging is the operational turnaround of both our payments bank and payment solutions business, which have moved out of gestation and are now contributing positively to our unit-level economics, even as we continue targeted investments to incubate our nascent verticals.

The company's total consolidated shareholder equity stood at 1.37 lakh crores as of June 30, 2026. I am pleased to share that during the quarter, we received the second tranche of 5,934 crores from our promoters on account of the preferential warrants. This brings our cumulative fund infusion from this route to 9,890 crores, reinforcing our structural strength and giving us adequate firepower to pursue our ambitious growth plans. Even as our lending arm scales up rapidly and our payment businesses operate with metrics comparable to or better than industry standards, we continue to invest specifically in our nascent stage ventures, particularly the joint ventures with BlackRock for investments and Allianz for insurance. Given the significant runway for growth in secular asset management, wealth management, and insurance, we believe our investments will be highly accretive for the company and all its stakeholders.

Our execution momentum this quarter was highlighted by several landmark operational achievements. Our NBFC sustained highly robust organic growth with quarterly loan disbursals exceeding 11,000 crores. In our payment business, we focused on high-utility infrastructure-led digital financial services to diversify our revenue stream while contributing to the task of nation-building. Jio Payments Bank successfully went live with FASTag ANPR-based multi-lane free-flow toll processing operations, bringing frictionless tolling to major highways. Simultaneously, Jio Payment Solutions Limited launched cross-border settlement capabilities, enabling Indian exporters to accept global remittances seamlessly.

In the investment domain, Jio BlackRock expanded its alpha-generating product suite with the close of its Prism SIF NFO. A significant milestone achieved during this quarter was the receipt of regulatory approval from the IFSC to establish our retail fund management entity in GIFT City, opening global investment pipelines for Indian savers. On protection, we formalized our general and health insurance joint ventures by incorporating Jio Allianz General Insurance Limited. Our unified digital storefront, the Jio Finance app, has seen enhanced adoption among its users with its suite of diversified and personalized offerings. It has now surpassed 25 million unique users across our digital properties, exhibiting very rapid growth.

This illustrates our virtuous financial flywheel. We have deliberately designed a 360-degree ecosystem structured around the four core financial pillars of our customers' lifecycle: borrow, invest, transact, and protect. High-frequency transaction layers like the payments bank and payment solutions continuously drive consumer engagement and stickiness, feeding rich consented consumer insights and low-cost customer acquisition funnels into our high-value lending, wealth, and insurance platforms. Our right to win is further fortified by our structural moves, a trusted brand, a massive capital base, and an advanced modular cloud-native tech architecture with zero legacy debt. This enables smart cost engineering at scale across what we call the four Cs: cost of funds, cost of acquisition, cost of servicing, and credit cost. We view being a late entrant as a significant strategic advantage as it allows us to learn from the market and deploy pre-optimized AI-native processes from day one.

Our product philosophy has evolved from a standard product push to a sophisticated three-layer unified digital marketplace. Layer 1 is our core comprehensive suite of proprietary products across lending, banking, and wealth management, which we continue to scale aggressively. Layer 2 is our marketplace aggregation framework. We recognize that no single financial institution has the risk appetite to serve every single sub-segment of India's population. By integrating curated, high-quality third-party products, including credit cards, insurance plans, and fixed deposits, we maximize customer choice while maintaining absolute risk discipline. Layer 3 is our core pivot, the N=1 hyper-personalized AI-native conversational interface. Our platform moves away from generic customer codes. It dynamically synthesizes real-time behavioral data to proactively recommend the absolute best financial fit for an individual's unique life stage, effectively acting as an unbiased digital financial companion.

Our omni-channel delivery footprint has widened significantly, now capturing transactions across more than 19,000 pincodes across the country. While digital channels like the Jio Finance and MyJio apps serve as our primary engine for customer acquisition, true financial inclusion requires a smart physical layer for last-mile fulfillment and localized credit assessment. To support this, Jio Credit has expanded its physical footprint to 25 offices across 18 major cities.

To anchor high-frequency utility transactions in semi-urban and rural areas, Jio Payments Bank has exponentially scaled its business correspondent network to over 527,000 touchpoints compared to just 50,000 in Q1 FY26, representing over 10x growth. Concurrently, Jio Insurance Broking's POSP agent network has penetrated 25 states, and our payment solutions merchant ecosystem continues to deepen the merchant network pan-India.

Now let us turn to data tech and AI, which is powering our entire ecosystem and goes to the core of who we are. At Jio Financial Services Limited, technology is not just an enabler or a support function; it is the very DNA of our organization. We have deliberately built JFS as an AI-native institution from day one. This means we do not just deploy technology to fix legacy problems; we design our entire business model around what technology makes possible. This AI-native mindset is deeply embedded across our human resources as well. We are actively cultivating a culture of man-machine collaboration where our people do not perform repetitive tasks but instead act as supervisors and strategic partners to an enterprise-wide network of 130 intelligent AI agents.

In customer experience, we are using AI to remove friction and compress processing times for the customer. An example of this is at Jio Credit, where we have achieved a 76% reduction in turnaround time for credit assessments simply by deploying AI-driven video personal discussions. Operational agility is our primary competitive moat. A squad of 24 specialized cross-functional agents enables us to achieve that by operationalizing new tech capabilities in just 3 weeks as opposed to a development cycle that can otherwise last months.

Whether it is faster policy and regulatory reviews with lower compliance costs at Jio Credit or automated handling of fraudulent emails at Jio Payments Bank, our governance and risk mitigation at JFS is predictive and not reactive. We are also driving hyper-efficient customer monetization by maximizing output and minimizing spends. For example, on the Jio Finance app, around 10 data propensity engines analyze over 800 behavioral attributes to recommend the next best offer to customers, achieving very high conversion rates.

What does all this help us to achieve? The bottom line is infinite scalability with non-linear cost structures. Traditional financial institutions are forced to scale their headcount and operational overhead linearly as their customer base grows. At JFS, our network of AI agents allows us to scale our transaction volumes, our loan books, and our customer base exponentially while keeping our fixed cost structure remarkably flat. This technology architecture completely optimizes our unit economics, protects our margin, and guarantees a friction-free experience for our users. It ensures that as we grow to serve hundreds of millions of Indians, we will remain lean and agile.

Let us now look at the deep-dive performance of our individual operational layers, starting with our lending arm, Jio Credit. Gross assets under management grew by 163% year-on-year to over 30,000 crores. Our AUM mix remains highly resilient and balanced against macroeconomic volatility. Mortgages, home loans, and LAP comprise 45.4%; corporate and SME lending stands at 44.2%; and retail loan against shares accounts for 10.4%. Quarterly disbursals grew by 173% year-on-year to over 11,000 crores, completely driven by organic market transactions. Our legacy-free tech stack allows us to offer some of the fastest turnaround times in the industry via end-to-end digitization. However, let me restate that we are scaling responsibly. We continue to maintain highly stringent credit guidelines and narrow underwriting rules to ensure top-tier asset quality as the book matures.

This highlights a highly disciplined liability management framework. Total borrowings reached around 28,000 crores anchored by a comfortable debt-to-equity ratio of 3.9x, leaving immense balance sheet room for future growth. Our average cost of borrowing trends at 7.07%, which remains the lowest in the industry, reflecting the credit market's high confidence in our structural underwriting strength and corporate governance. We have carefully diversified our funding base across term loans, commercial papers, and market instruments. In June 2026, we tapped the debt capital market to raise 1,500 crores through non-convertible debentures against the board-approved fiscal limit of 15,000 crores, locking in long-term stable liquidity.

The financial outcomes of the scale cost-engineered lending model are clear. Net interest income surged 118% year-on-year to 257 crores. Pre-provision operating profit grew 128% to 154 crores and profit after tax grew 113% to 96 crores. This consistent upward trajectory proves the strong inherent profitability of our core lending business as operational efficiencies and group tech synergies begin to kick in at scale.

Moving to the Jio Payments Bank, as the high-frequency engagement layer for the entire JFS group, the bank is instrumental in driving daily transaction velocity, gathering granular consumer insights, and boosting ecosystem stickiness. Total income rose 7.7x year-on-year to 83 crores supported by a 51% expansion in our CASA customer base to 3.9 million. Customer deposits grew 72% year-on-year to 617 crores, with the average balance per customer expanding to 1,540, up 16% year-on-year, indicating increasing customer trust and transactional use.

We are successfully diversifying fee income streams by managing digital toll processing operations across 20 major toll plazas, including the prestigious multi-lane free-flow project for barrierless tolling operations, rolling out high-margin assistant services like cash on UPI and GDPS through our deep BC network. Through a sharp focus on revenue growth, through diversified service lines and cost optimization, I am very happy to report that Jio Payments Bank achieved an operational turnaround in Q1 FY27. As we turn to our payment solutions vertical, I would now like to hand over the call to Mr. Kashinath Hariharan, MD and CEO of Jio Payment Solutions Limited to take us through the key highlights for the quarter of this business.

Management: Thank you, Hitesh. Good evening, everyone. Today, I am happy to share with you all the progress we are making at Jio Payment Solutions Limited (JPSL), which stands as a core pillar of our Jio Financial Services ecosystem. As an RBI-regulated payment aggregator and payment gateway infrastructure provider, JPSL delivers unified payments and collection solutions across all commerce channels. Our objective is to capture margin-accretive transaction volumes by scaling our payment solutions for enterprise, small and medium businesses, and cross-border commerce. Meticulous execution on our articulated strategy for JPSL is now translating into financial performance as reflected in the numbers for this quarter.

Let us take a look at the operational metrics achieved in Q1 FY27. Our total payment value (TPV) crossed 19,000 crores this quarter, representing a 2.5x year-on-year growth. Driven by this volume, our gross fee and commission income grew to 176 crores, up 6.4x year-on-year. Our net fee and commission income also grew to 24 crores for the quarter, a 3.4x expansion year-on-year. Being strategic about the kind of business opportunities we want to pursue and optimizing cost simultaneously is driving our bottom-line performance through an increase in our gross and net processing margin. Our net processing margin expanded 12 basis points in Q1 FY27, from 9 basis points in Q1 FY26. Crucially, this growth is supported by an increase in TPV from merchants outside our immediate ecosystem. Margin expansion, combined with operating leverage, has driven an operational turnaround for JPSL.

To understand how JPSL operates in the market, our execution is focused across four key pillars. First, our target merchant profile. We are focused on high ticket-size merchants with large card throughput volumes and high lifetime values. We are prioritizing partners who provide ongoing growth. Second, we utilize a full-spectrum payment suite, which is capable of handling any and every payment-related need of businesses. This includes online payments for enterprises and SMEs, offline merchant solutions utilizing affordability-led point-of-sale devices with EMI monetization, and cross-border payments enabling Indian exporters to accept global payments.

Third, we maintain a lean cost structure. Our economics are variable cost-led, operating on a volume-linked cost model with low fixed overheads. Because our high-performance tech stack is asset-light and our customer acquisition utilizes a partner-led distribution model chiefly, our operating costs remain low. By combining high-margin merchant segments with a scalable tech architecture, we are unlocking systemic operating leverage. We are focused on building a business anchored in profitable unit economics. Our ultimate target remains clear: achieving sustainable profitable growth. Thank you so much. With that, I would like to hand the call back to Hitesh.

Management: Thanks, Kashi. Now we turn to our invest vertical. Our joint venture with BlackRock is rapidly scaling to democratize world-class investment solutions for the people of India. Closing AUM increased 21% sequentially to 18,412 crores with quarterly average AUM expanding 8% to 17,979 crores. We now serve 1.2 million retail investors and, true to our mission of expanding access to new-age financial services for the masses, 18.5% of investors are completely new to mutual funds and 36% of our retail AUM comes from beyond top 30 cities, far outperforming the industry average. Operationally, our liquid fund AUM crossed the 10,000 crore milestone in April and our NFO for the Prism Specialized Investment Fund, a hybrid long-short fund, closed successfully on July 13, raising over 150 crores. Looking ahead, our wealth management vertical is moving fast and we are now well positioned for the beta launch of our securities broking platform in Q2 FY27.

Here we detail our progress in the protection sector through our joint ventures with the Allianz Group. Allianz Jio Reinsurance completed its first full quarter of operations with 266 crores on underwriting premium. As India's third licensed domestic reinsurer, we command priority market access, which has allowed us to secure lead reinsurance status from majority treaty programs across top-tier private insurers. Our near-term focus is on scaling this underwriting pipeline selectively using robust retrocession frameworks to maximize capital efficiency and target high-profitability risk opportunities. Simultaneously, the regulatory approval processes for Jio Allianz General Insurance Limited are progressing satisfactorily and our non-binding agreements remain active to establish our life insurance JV.

Jio Insurance Broking facilitated a total premium of 238 crores, yielding a 131% year-on-year surge in total fee and commission income to 61 crores. This performance highlights a highly profitable shift towards retail lines balanced by structured corporate originations. Our distribution channels are firing on all cylinders. Premium facilitated by our digital point-of-sale person agent network expanded 11x year-on-year. On the direct-to-consumer front, we have deployed over 200 tailored digital journeys, optimizing customer conversion rates and increasing average ticket sizes, while continuously enhancing our self-service do-it-yourself digital portals.

Finally, let us take a look at the core gateway of our long-term platform strategy, the Jio Finance app, which has evolved into becoming a neural agentic marketplace earlier this year. This is our ultimate interface unifying the entire JFS flywheel, driven by 16 autonomous AI agents and 10 advanced machine learning models. The app synthesizes consented data layers to generate hyper-personalized financial recommendations and real-time insights for our customers. The platform offers immediate conversational access to an expansive third-party suite including insurance plans, credit cards, personal loans, digital gold, fixed deposits, and tax filing and planning services.

This AI-driven hyper-personalization is delivering spectacular conversion rates supported by our data propensity campaigns and product recommendation engine. I am happy to report that with our expansive suite of in-house and third-party products, we have recorded a healthy daily run rate of around 34,000 product purchases made by customers across our digital platforms for the month of June 2026.

To institutionalize customer loyalty, our comprehensive Jio Points Reward program has already enrolled 5.7 million users, issuing over 204 million Jio Points, which can be redeemed against an exciting catalog of products and services. We are delighted to share that in the near future, we are rolling out a personal CFO for every Indian, powered by our upcoming proprietary financial fitness index. This conversational AI will perform 24/7 financial health checks, dynamically identifying gaps in key financial enablers for an individual, like their insurance protection level or savings, and provide unbiased advice regarding the best course of action. With this, the Jio Finance app will not just sell products and services but become a true lifetime financial guide for all Indians, even those who may not be able to access or afford professional financial advice otherwise.

To conclude, this quarter has proven that our foundational investments are transitioning into a highly predictable, self-sustaining financial engine. As we look ahead to the remainder of fiscal 2027, our roadmap is focused on strong risk-calibrated expansion. We are moving with agility, but we are moving with absolute risk discipline, ensuring that our risk guardrails remain uncompromising. By combining our strong brand, modern tech stack including an enterprise-wide network of AI agents, and an unmatched capital base, we are decoupling business scale from operational overheads. We are not just building a financial service company; we are executing a profound technology-led mission to secure and elevate the financial future of every Indian home. Thank you very much. I will now hand over the call to our Group CFO, Ms. Annapurna Venkatraman, to take us through the financial highlights for the quarter in detail.

Management: Good evening, everyone. It is a pleasure to address you for the first time as the Group Chief Financial Officer of Jio Financial Services Limited and present the financial highlights for the quarter ended June 30, 2026. Our financial results for this period are prepared in compliance with the Indian accounting standards, as prescribed by the Ministry of Corporate Affairs.

I want to take a moment to contextualize our financial performance within our larger overarching group strategy. As a core investment company, Jio Financial Services' strategic mandate is to deploy capital efficiently to set up, nurture, and sustainably scale our independent operating subsidiaries across the lending, payments, investment, and protection verticals. Our strategic focus remains anchored on capital preservation and risk-calibrated value creation. We evaluate all investment opportunities within the strict guardrails of our four core corporate principles: reputation above all, regulatory adherence in letter and spirit, return of capital, and return on capital.

Before we step into the financial performance during the quarter ended June 30, 2026, let us take a moment to look at our updated group structure, which reflects the strategic expansion of our full-stack financial ecosystem. As a parent holding company, Jio Financial Services supports the scale-up of its various group entities, each of which is at a different stage of its journey, from those in the incubation stage to those scaling rapidly. This framework ensures that each operating vertical runs under the guidance and supervision of independent boards, with robust corporate governance, while the parent holding company optimizes the capital allocation. As Hitesh alluded to earlier, effective April 30, 2026, Reliance Services and Holdings Limited (RSHL) has become a 100% step-down subsidiary through Reliance Industrial Investments and Holdings Limited. Consequently, RSHL's financials are now consolidated with Jio Financial Services financials on a line-by-line basis.

Earlier it was accounted for under share of associates and joint ventures. The line-by-line consolidation of RSHL will add to our consolidated total income and pre-provisioning operating profit from Q1 FY27 onwards. But it will have no impact on our profit after tax, given that these investment earnings were already fully captured under the share of associates and joint ventures in previous periods.

This quarter also marked the formal incorporation of Jio Allianz General Insurance Limited as a 50-50 joint venture with the Allianz Group. Subject to regulatory approvals and once operational, this entity will bring world-class general and health insurance solutions to India, an under-penetrated and growing market for insurance.

As I mentioned earlier, our consolidated total income for the quarter stood at 1,496 crores, up 141% year-on-year and 47% sequentially. This growth reflects sustainable momentum in our core operations, robust treasury operations, and the impact of full consolidation of RSHL's financials. Interest income increased 165% year-on-year and 50% sequentially to 962 crores, driven by strong organic traction in our lending businesses. Fee and commission income stood at 325 crores, a growth of 506% year-on-year and 47% sequentially. This reflects the operational scale-up and higher volumes across our payments businesses and insurance broking.

The net gain on fair value changes increased 7% year-on-year and 26% quarter-on-quarter to 210 crores. Our treasury funds increased primarily due to the incremental preferential warrants received from our promoters explained earlier. To ensure our capital remains productively employed until we deploy into our high-growth businesses, we maintain a disciplined treasury strategy designed to optimize capital efficiency by prioritizing safety, liquidity, and yield. Growth in our treasury income was driven by strategic portfolio reallocations done during the quarter, coupled with tailwinds from RBI policy actions, which led to a sequential increase of 109 basis points in the treasury yields.

On the expenditure side, total expenses stood at 991 crores versus 254 crores in Q1 FY26 and 693 crores in Q4 FY26. Starting with finance charges, which are at 418 crores, increasing in line with higher market borrowings to support the growth of our lending operations. Staff expenses increased to 152 crores from 64 crores in Q1 FY26 and 129 crores in Q4 FY26 on account of annual increments and performance bonus payouts for the fiscal year. Other operating expenses stood at 421 crores in line with scaling up of our business infrastructure.

Consequently, our pre-provisioning operating profit or PPOP stood at 505 crores, up 38% year-on-year and 54% sequentially. Provisions stood at 25 crores in line with the regulatory provisioning requirement arising from the expansion of our loan book. As our JVs with BlackRock for asset management and wealth management are at a nascent stage, they require certain necessary expenses to be incurred for scaling them up. During the quarter, we also made investments necessary to incubate Jio BlackRock Broking Private Limited and the reinsurance and general insurance joint ventures with Allianz.

Moreover, RSHL's financials no longer form part of the share of associates and joint ventures post the restructuring and hence its financials are consolidated line-by-line. Consequent to my explanations on the joint ventures under incubation and the line-by-line consolidation of RSHL's financials, the share of associates and joint ventures reported during the quarter was a loss of 19 crores.

During the quarter, we received a total dividend of 509 crores, including dividend received on shares of Reliance Industries Limited held by Reliance Industrial Investments and Holdings Limited (RIIHL) and RSHL. As a result, our profit before tax stood at 970 crores, up 131% year-on-year and 186% sequentially. Excluding the dividend and adjusting for the one-off income of 29 crores in Q1 FY26 relating to the consolidation of the payments bank with the company, profit before tax increased 18% year-on-year to 461 crores. On a sequential basis, profit before tax was up 36%. Consolidated profit after tax increased 156% year-on-year and 205% quarter-on-quarter to 830 crores.

Moving on to our standalone financial performance, total income increased 63% year-on-year and 62% sequentially to 219 crores. This was driven by a sharp 181% year-on-year expansion in interest income to 105 crores alongside the net gain on fair value changes of 110 crores. This strong growth is a direct result of our enhanced corporate treasury operations as explained earlier. Standalone total expenses stood at 69 crores. Staff expenses were 31 crores, which reflects the impact of annual increments and performance bonus payouts for the fiscal year, alongside other operating expenses of 38 crores in line with the growing business operations. Consequently, standalone PAT for the quarter stood at 105 crores, representing a growth of 47% year-on-year and 31% sequentially.

Let's now take a detailed look at the performance of our NBFC, Jio Credit Limited. For the quarter ended June 30, 2026, Jio Credit Limited's net interest income increased 118% year-on-year and 27% sequentially to 257 crores. This performance was driven by a 172% year-on-year growth in interest income to 683 crores, reflecting the expansion in our assets under management. Sequentially, interest income grew 31%.

Concurrently, interest expenses increased to 425 crores as the NBFC continued to tap the debt markets to fund its lending operations. Our net total income for the quarter stood at 273 crores, up 131% year-on-year and 25% sequentially. Our modular and legacy-free technology architecture continues to provide significant operating leverage, allowing us to maintain a lean operating cost structure even as we expand our customer touchpoints strategically for last-mile fulfillment. Pre-provisioning operating profit or PPOP for the quarter grew to 154 crores, up 128% year-on-year and 28% sequentially. Profit after tax more than doubled to 96 crores for the quarter and grew 38% sequentially, reflecting our commitment to running an efficient lending institution backed by a high-quality portfolio that delivers long-term sustainable growth.

To conclude, our businesses that are maturing profitably, along with our robust treasury management operations, give us ample financial cushion to pursue our long-term strategic goals while keeping our core capital base fully protected. This structural advantage empowers our suite of financial services spanning the four quadrants of the borrow, transact, invest, and protect spectrum to turn with a very sustainable momentum. Even as we grow, we remain committed to leveraging technology, optimizing costs, and ensuring adherence to robust risk management guidelines at all times as we remain committed to creating long-term value for all stakeholders. Thank you so much.

Management: Thank you. As we conclude our Q1 FY27 earnings call, we are pleased to reaffirm that the new financial year has begun on a positive note for us with secular and strong growth across all our businesses, which create a powerful engine for long-term value creation. From 25 million unique users across digital properties to healthy growth in our NBFC's AUM to over 30,000 crores, scaling up of our AMC's AUM to over 18,000 crores, and our payment businesses achieving operational turnaround, Q1 FY27 was an important milestone in our journey towards democratizing access to intelligent financial services for the people of India.

Our JV with Allianz for reinsurance got off to a strong start this quarter and we are currently working towards securing regulatory approvals for the general insurance venture. We also look forward to our stock broking joint venture with BlackRock to commence soon. At Jio Financial Services Limited, we are guided by the philosophy of long-term value creation for all stakeholders. For this, we remain committed to our core four guiding principles: reputation above all, regulatory adherence in letter and spirit, return of capital, and return on capital, which influence every business and investment decision. Thank you for your time and continued trust. We invite you to explore the detailed presentation and previous transcripts available on our website at www.jfs.in and through the stock exchanges. The investor relations team continues to remain available for any follow-up questions you might have. Thank you again and have a wonderful rest of the evening.

Operator: Ladies and gentlemen, good day and welcome to the L&T Finance Holdings Q3 FY24 earnings conference call. As a reminder, all participants' 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 the 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. Sumit Gautam. Thank you and over to you, sir.

Management: Thank you, operator. Good morning and a warm welcome to all the participants on the Q3 and 9M FY24 earnings call of L&T Finance Holdings. Along with me, we have our MD and CEO, Mr. Sudipta Bhadra, and our CFO, Mr. Abhinav Bhagat, to share their perspectives on the performance and answer any questions that you may have. I would now like to begin with a brief overview of the Q3 FY24 and 9M FY24 performance of the company.

Management: Good morning to all of you. Happy to connect with all of you again. So, I think we have successfully concluded our journey towards retailization of our book and this journey has been very satisfying for us. We have come out of wholesale lending completely and now we are 100% retail.

Management: Coming to the financials, we had a profit after tax of 640 crores for the quarter and for the 9-month period, we had a profit after tax of 1,840 crores.

Management: Yeah, the other point I wanted to mention is the credit cost. So our credit cost for the quarter has been 1.12%.

Management: Coming to the business mix, as Sudipta had mentioned, we are now a 100% retail financier. The total retail AUM is at 80,000 crores, which is up 32% year-on-year. The mix has shifted from a 50-50 mix of retail and wholesale in Q3 FY23 to a 100% retail mix in Q3 FY24.

Management: And again, on the liabilities side, you would have seen in our numbers that we have been able to reduce our cost of funds by almost 10 basis points quarter-on-quarter, primarily driven by improvement in the mix and also because of a better credit rating for us.

Management: Talking about the retail segments, we have five retail segments, which are farm, two-wheeler, housing, infra, and SME loans.

Management: And on the housing side, we have grown the book by 17%.

Management: On the farm, we've grown the book by 16% year-on-year.

Management: Yeah, on the two-wheeler side, we have grown the book by 18%, and SME as well by 18%.

Management: So, all our retail segments have grown in the double digits, which is very satisfying.

Management: Again, on the SME side, we are growing very well.

Management: Yes. Also, the infra part, the infra book for us is project loans which we originate only against retail assets to be built by the developer.

Management: Yeah. And again, our digital proposition for farm and two-wheeler continues to perform really well.

Management: So, we expect to be 100% digital in farm and two-wheeler in the next 2 to 3 quarters.

Management: We already have a strong digital lead on the farm side.

Management: We currently have 50% of the two-wheeler book which is fully digital and 70% of the farm book which is fully digital.

Management: And again, our asset quality remains very healthy across all asset classes.

Management: So the Stage 3 for us is at 2.65%, which is an improvement of 124 basis points year-on-year.

Management: And on the asset quality front, we continue to focus on collection efficiency.

Management: And also the NPA numbers for us have improved quite significantly.

Management: Yeah, we have been able to reduce our gross Stage 3 by 204 basis points year-on-year.

Management: So, very satisfying numbers, both on the top line as well as the asset quality.

Management: Yes, and the net Stage 3 as well has come down by more than 100 basis points.

Management: Our NIMs for the quarter stood at 11.53%.

Management: And again, return on assets, we have been able to improve our return on assets to 2.68%.

Management: And our return on equity is at 19.46%.

Management: Yes.

Management: So, overall, a very good performance on all fronts, and we expect the momentum to continue in the subsequent quarters also.

Management: And we continue to deliver a strong return on equity.

Management: And we continue to have strong capital adequacy as well.

Management: Yes, with a CAR of 25.5%.

Management: Yes. So, we are fully capitalized and we expect the business to grow very well.

Management: Yeah.

Management: Yes. So, thank you.

Management: Thank you for joining us.

Management: I now hand it over to the operator for the Q&A session.