



Dated: 27.05.2025

To
Department of Corporate Services,
BSE Limited,
25th Floor, P.J. Towers,
Dalal Street, Mumbai-400001

Scrip Code: 538882

Dear Sir/Madam,

Subject: Submission of Investor/ Analysts Meet Transcripts

In continuation of the letter dated May 18, 2025 related to the Investor Conference Call to discuss the Financial Results for the Quarter and Year ended March 31, 2025 and pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Transcripts of the Company's Investor Call.

The said Transcript is also available on the website of the Company at <https://emeraldfin.com/wp-content/uploads/2025/05/Emerald-Finance-Limited-Q4-FY25-Concall-Transcript.pdf>

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.

We request you to take the same on record.

Yours Sincerely
For Emerald Finance Limited

(Amarjeet Kaur)
Company Secretary cum Compliance Officer
Membership No. :A17273





“Emerald Finance Limited Q4 & FY ‘25 Earnings Conference Call”

May 23, 2025



MANAGEMENT: **MR. SANJAY AGGARWAL – MANAGING DIRECTOR,
EMERALD FINANCE LIMITED**
**MS. GURMEET KAUR – CHIEF RISK OFFICER,
EMERALD FINANCE LIMITED**
**MR. TALIN AGGARWAL – HEAD OF BUSINESS
DEVELOPMENT, EMERALD FINANCE LIMITED**

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS PRIVATE
LIMITED**



*Emerald Finance Limited
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Moderator: Ladies and gentlemen, good day and welcome to the Emerald Finance Limited Q4 FY '25 Earnings Conference Call, hosted by Kirin Advisors Private Limited.

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 and is for one hour.

I now hand the conference over to Ms. Chandni. Thank you and over to you, ma'am.

Chandni Chande: Thank you. On behalf of Kirin Advisors, I welcome you to the Conference for Emerald Finance Limited. From Management Team we have Mr. Sanjay Aggarwal – Managing Director; Gurmeet Kaur – Chief Risk Officer; and Mr. Talin Aggarwal – Head of Business Development.

Now I hand over the call to Mr. Sanjay Aggarwal. Over to you, sir.

Sanjay Aggarwal: Good evening, everyone. Thank you for joining us today for Emerald Finance Limited Earnings Call for Q4 FY '25, and the full Financial Year FY '25.

With me are Mrs. Gurmeet Kaur, who is the Chief Risk Adviser and Mr. Talin Aggarwal, who is Head Business Development. Together, the three of us are pleased to walk you through our financial performance and key business developments for the quarter and the whole year.

FY '25 has been a transformative year for our company:

We have continued to strengthen our position as a technology driven non-deposit taking NBFC. Our flagship early wage access product is gaining quite a good momentum and traction in the market. As of March 31st, '25, we have successfully onboarded to 62 partnerships under our EWA program. This program, which is quite prevalent in US, Europe, and now getting a lot of attraction in Indonesia and Philippines, enables employees to withdraw a portion of their earned salary before their pay day.

In the month of March, against the projection of Rs. 2 crores, we disbursed Rs. 3 crores plus in the last month of the year with an average ticket price of Rs. 25,000. Now we are seeing our daily active users of about 30 every day. We plan to scale this number of partnerships from 60 to 250 partnerships during the current financial year.

As far as our financial performance is concerned, for the quarter four our total income was Rs. 6.5 crores vis-à-vis Rs. 3.9 crores for the similar quarter in FY '24. And our net profit jumped to Rs. 2.65 crores vis-à-vis Rs. 1.14 crores, which is a jump of almost 132%. And for the standalone basis, our total income was Rs. 4.6 crores vis-à-vis Rs. 2.02 crores last year. And our net profit jumped to Rs. 2.16 crores in this quarter on a standalone basis vis-à-vis Rs. 0.63 crores, which is a jump of almost 246%.



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On a consolidated basis, for the full year total income was Rs. 21.63 crores vis-à-vis Rs. 13.36 crores last year. And our net profit was Rs. 8.89 crores vis-à-vis Rs. 4.14 crores last year with a jump of almost 114%.

I am very happy to report in this financial year our NPAs are absolutely zero. In fact, we had very nominal NPAs in the last three years also, which was less than 0.5 in the last corresponding three years. But this year was absolutely zero, we closed the year with the zero NPA.

In terms of revenue composition, 48% comes from the consolidated balance sheet, 48% comes from interest income, and the rest comes from fee and processing fees. This season, processing fees includes three components, one is income from DSA business, second is processing fees what we charge to our business loan clients, and third is the processing fees what we charge from our customers.

In the fourth quarter we raised Rs. 10.2 crores through preferential allotment. We issued 7.6 lakh equity shares at Rs. 131 each. These were subscribed mainly by the promoters and Saint Capital Fund, Mauritius. Also, Mr. Rajesh Jain was the founding partner of KPMG in India and Africa, and he was the one who set up Grant Thornton in India. Also, one of the notice was Mr. Vishnu Sultania. Mr. Sultania is advisors to United Nations and is recognized among the top 100 CFOs of India.

We are also pleased to announce a strategic partnership with Baya PTE Limited Singapore for invoice discounting. This initiative will help us to support suppliers of large parties such as JSW Steel, Delhivery, PVR, Rickitt & Coleman, Haldiram among others. Looking ahead, we remain focused on expanding the EWA product and strengthening our technology infrastructure.

I am very happy to inform you that our mobile app has now been approved by the Play Store and we will be shortly launching it for the listing clients. We are very optimistic what the NBFC industry as a whole, which holds about 22% of the share of the credit market and is projected to grow at 17% in FY '25. India's strong metronomic fundamentals, rising rural incomes and the government's continued push for financial inclusion provide a very favorable environment for future growth.

Digital lending is expected to account for 60% of the Indian tech market by 2030, and we at Emerald I think are quite well positioned to capitalize on this opportunity. Financial Year 2025 has been a year of strategic execution, financial growth and operational excellence. With a strong foundation in place and a clear road map ahead, we are quite optimistic of this current financial '26-'27.

I am now happy to invite questions from you all, please. Thank you once again for your time and continued support.

- Moderator:** Thank you very much. Ladies and gentlemen, I would like to remind you all that the call is for one hour. We will now begin the question-and-answer session. The first question is from the line of Hitesh Randhava from CAGR Quest Capital. Please proceed.
- Hitesh Randhava:** Yes, hi. My question is on your sale of technology actually, in one of the previous con calls I had read that you had created your technology platform with the help of your consultants, etc. So my question is, you did say that it is entirely owned by you, but second is, what is our IT team strength actually currently?
- Sanjay Aggarwal:** IT team is of five people as of now. The technology has been developed in-house only.
- Hitesh Randhava:** Okay. And second is, basically it covers everything, right? Would you be able to say, I know it's an earnings call, but would you be able to just speak a bit more about the technology stack etc. basis which we have built this particular platform? And maybe our second is, do we have our business continuity plans, etc., disaster recovery plans, etc., everything in place, I believe?
- Talin Aggarwal:** So, if I may take that.
- Sanjay Aggarwal:** Yes, Talin.
- Talin Aggarwal:** Alright. Hi, Hitesh. Hitesh, as mentioned, the entire technology has been developed in-house and we give a lot of emphasis on data security, data privacy and continuation of business, right, so in case anything happens. So we have all policies drafted, we have all the training in place. So if tomorrow something by God if something is to happen to our technology or our data, we are very well back to immediately resume continuity of business. We will just maybe switch our servers in case the server is the issue. So in case of any Black Swan event, we can go live with the entire data in less than 12 hours. So we follow all of IT policy norms of the RBI and other bodies which we can just to ensure safety of our data.
- Hitesh Randhava:** Right. Okay. Yes, thanks for that. And the kind of in terms of when we see kind of around the EWA actually, kind of whenever we kind of issued the funds actually for this particular EWA, the funds are issued against the employer or the company basically? So if it is an NPA, how do we classify an NPA, would it be against the employer or would it be against the employee?
- Talin Aggarwal:** Against the employee. So it's technically a personal loan taken by the employee from us. In case of an NPA, tomorrow the employee would be liable to pay us back.
- Hitesh Randhava:** Okay, okay. And then normally, what is the kind of duration that we assigned to such loans actually?
- Talin Aggarwal:** 30 days, 28 to 30 days.
- Hitesh Randhava:** So maximum it's 30 days, okay.

- Talin Aggarwal:** Correct. So any loan taken in this month would be deducted from their next payroll.
- Hitesh Randhava:** Right, okay. And lastly, I just wanted your view on one of the things actually kind of, I know maybe it might be a bit too soon to talk about this but what is the probability/possibility of maybe a bank acquiring an EWA startup and kind of integrating its EWA platform into their own banking platforms or applications? The reason being that they have their data, right, they have the salary accounts with them, so what do you see around the possibility of something like that?
- Talin Aggarwal:** Gurmeet, would you like to take that?
- Gurmeet Kaur:** Yes, Talin. Thank you. Hitesh, we need to be understanding the dynamics of the earned wages access lending program vis-à-vis how it does not fit into the banking parlay. So of course, all the banks have the salary accounts of the user. And based on what are the salary credits that happen, they also have their loan programs for the salaried employees, right? And they can give them an EMI or a term loan on a certain rate of interest and charging some processing fees. So, one of the key regulation or guidelines by RBI for the banks is that they cannot give a 0% loan.
- So EWA as the product is in nil interest, however, we charge a fee at the time of disbursement, there is a percentage of the disbursal amount which the user takes. So there's an APR, so this one does not fit in line with what the banks can do and what the banks cannot do, right, because it is about the cash which is into the savings account or from various customers like us. Then that money is going to get deployed into lending. And if it does not give them a rate of interest, that particular policy is not acceptable to them.
- The second thing is that, this particular product is an operationally very high technology dependent product. And the ticket size is so small that the interest of the bank on running such a product is not there. The third thing is that most of the public sector banks in the country, they are also required to support the government's various subsidized schemes. So they have lot of their PSL portfolio that they work on and this particular product in a vision board and from an RBI guidelines does not fit in their scheme of things.
- Gurmeet Kaur:** Got it. Sure. Thanks for that. Thank you very much. And lastly kind of my question is around the kind of investments that we are looking forward to make in FY '26. By this what I mean is that we have got a target of onboarding 250 corporate clients by the end of FY '26, and I am not sure if there are going to be any further maybe technology related spends. So basically, mostly we are going to put more, say, kind of people on the field etc. or something on those lines to get these corporates onboarded. So overall, what are the kind of investments that we are looking to make in FY '26? And if you could just quantify as per segment that, okay, sales and marketing maybe X amount, technology X amount, branch expansion maybe Y amount, something on those lines please.
- Talin Aggarwal:** We would not want to be quantifying it because, again, we believe the quantification here would just limit our ability to grow, right? So as the business scales accordingly the supporting staff

will scale. But we can tell you that we will be, one, investing in, as you mentioned, sales and marketing; second, in data analytics; and third, in compliance. Because as the business grows, our back end compliance needs to be much, much stronger to be able to manage. And we will need some data analytics people just to be able to analyze all the data we have been turning on a daily basis now to see where we can improve more.

Hitesh Randhava: Right, okay. And would there be more investments into physical branches as well by any? If yes, then how many branches, etc.?

Talin Aggarwal: So as I mentioned, so us being a very technology heavy system, so we believe in centralized operations from our head office with the sales team deployed pan-India.

Hitesh Randhava: Got it. Yes, I got my answer. I just wanted confirmation on there. Yep, that's it. Thank you. I will come back in the queue.

Sanjay Aggarwal: We already included one person in Bombay.

Hitesh Randhava: Right, okay. Sure. Thank you.

Moderator: Thank you. The next question is from the line of Vishal Dudhwala from Trinetra Asset Managers. Please proceed.

Vishal Dudhwala: Hi sir. So my question was, how Emerald Finance is different from its competitor in sense of instant salary access, financial wellness tools and HRMS integration, like how and what technology Emerald is using?

Talin Aggarwal: So if I may answer that. So in terms of how we are different from our competition. I will give you an entire holistic view, how we differ ourselves from the competition. So we have two things here now. One, from distribution to technology to lending, the entire supply chain so to say is owned by us. So in this case there is no fintech or an LSP sort of a model here, right, which a lot of our competitors follow. Because there's FinTechs who do not have a lending license. But in our case, the entire supply chain is one, owned by us. That gives us immense control over the entire piece. And so we are not dependent on any third party to execute any of the services here.

Second, we act as a one-stop solution for all the financing needs of a corporate and of an employee through our subsidiary, ShubhBank.com. So if anyone let's say tomorrow does not want a salary advance, but they want a bigger loan, they want a home loan, they want a car loan, or a company wants a business loan, they are very easily able to facilitate that through the subsidy itself. So that essentially makes us a financial powerhouse or a financial package sort of a solution to every company we pitch to. And that network of ShubhBank has been built by almost 30 years of its existence in the market, okay, which none of our competitors is remotely that old.

Vishal Dudhwala: Okay, got your point. So basically we are using EWA as a future creditability system, right?



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Talin Aggarwal: You can see we are using EWA as a customer acquisition tool.

Vishal Dudhwala: Okay. Got your appointment. Thank you.

Moderator: Thank you. The next question is from the line of Khush Kothari from FEC SPIT. Please proceed.

Khush Kothari: First of all, congratulations on stellar results. I wanted to understand, why are we entering into the new vertical, the builders invoice discounting partnership?

Talin Aggarwal: So Khush, as I just mentioned, so we are essentially trying to build a synergy around financing to employers and employees. So we found that bill discounting is very lucrative and very attractive to the kind of companies are putting EWA too. So this happens to be a natural cross-sell to them. So essentially, our cost of acquisition goes down dramatically because of EWA. And our underwriting is already done on the corporate because of EWA, right, so that makes it very lucrative for us to sort of cross sell these other products to them.

Khush Kothari: Understood. And one more thing which I would like to understand is what is our penetration in these corporates where we are targeting our EWA? So we have roughly 60 partnerships now, right?

Sanjay Aggarwal: No, currently, it's almost 75.

Khush Kothari: So Okay. So out of these companies, what percentage of the employees are using our products and what is the repeat rate? And are we looking to cross sell the employees some other products such as insurance or maybe something else?

Talin Aggarwal: So, on a portfolio level we see an engagement of close to 10% to 12%, and a repeater of close to 80% to 85%. So essentially, until a person doesn't leave the corporate, they tend to use our facility, as they have already used it once. And in terms of cross sell, again, we are looking to cross sell higher ticket loans to them through ShubhBank through personal loans, vehicle loans, in case anyone needs.

Khush Kothari: Got it, got it. But nothing apart from them, as in, I guess some of our competitors are trying to, let's say, **(Inaudible) 21:22** some other products as well.

Talin Aggarwal: We will definitely explore as the opportunity comes by, we will be more than happy to explore.

Khush Kothari: Okay. All right, that's it. If there's anything else, I would just join the queue. Thank you.

Sanjay Aggarwal: Thank you.

Moderator: Thank you. The next question is from the line of Aman Baheti from Incred Capital. Please proceed.

- Aman Baheti:** Hi. Sir, congratulations on a great set of numbers and very, very happy to get some answers from you. So first thing on the loan book, can you just give me a breakdown of the loan book in terms of retail, MSME, gold, etc.?
- Sanjay Aggarwal:** Of the total, so almost from Rs. 80 crores, Rs. 77 crores is business loan and about Rs. 3 crores is EWA as of now, this is on 31st March.
- Aman Baheti:** Okay. As of 31st March, got it. And we have raised substantial amount through preference allotments, so around Rs. 17 crores I think we have cash in our bank, in what terms are we planning to use it through the fiscal year?
- Sanjay Aggarwal:** Out of the Rs. 17 crores, Rs. 10 crores was received on 31st March, a preferential issue closed on 31st March. So, as of now, we have almost utilized about Rs. 14 cores out of that and only Rs. 3 cores are remaining in the bank.
- Aman Baheti:** Okay. So, I mean, I am just trying to understand. so actually this EWA loan is for 30 days, so how do we manage our money rotation because the loan term is very small, right?
- Sanjay Aggarwal:** Yes, yes. See, we put the surplus fund in the SBI Liquid Fund, there we get good 7%. It is a short term fund. SBI is the principal bankers, so whatever additional funds are there, we put in the short term liquid fund over there. There we get around 7%. But this monthly like from 30th onwards the 1st or 2nd we receive back all the money which we lend during the month and that rotation keeps on going.
- Talin Aggarwal:** Yes, if I may just add a point in there. So in the last 12 months we have actually collected a lot of transaction data, and so we essentially have the spread of when how much money is utilized in a given month. So accordingly we are able to manage our cash flows accordingly.
- Aman Baheti:** That's great to hear. And one last question, any kind of guidance you want to give? I mean, we know that the target is acquiring 200 to 250 corporates this fiscal year, so in terms of disbursement any kind of targets we have for this fiscal year.
- Sanjay Aggarwal:** See, we are targeting about 250 corporates. I think if we are able to achieve 250, we should have about Rs. 15 crores of disbursement by next year end, March 2026.
- Aman Baheti:** Okay. So in terms of our top line and bottom line, bottom-line can we expect a similar growth trajectory going forward in the next couple of years?
- Sanjay Aggarwal:** Hopefully yes.
- Aman Baheti:** Okay, okay. All the best.

- Sanjay Aggarwal:** See, our major focus is on acquiring customers, entering into more and more partnerships and expanding our Baya partner partnership program. Once we achieve this automatically the growth will come. More than growth, our major focus is on keeping delinquencies very low. Like there's Rs. 3 crores in the month of March, we could have easily taken to Rs. 4.5 crores. But we are restricting company wise elements. Even if certain let's say company is asking for Rs. 50 lakhs limit, we are just giving them Rs. 25 lakhs or Rs. 30 lakhs, we do not want to take too much exposure on a single corporate.
- Aman Baheti:** Got it, sir. Got it. And any large corporate in our pipeline that we wish to onboard in the next quarters?
- Sanjay Aggarwal:** We are talking to a lot of corporate right now. As and when it happens, we will inform you accordingly. I would not like to disclose names at this stage, please.
- Aman Baheti:** Okay, sir. Okay, that's it from my side.
- Sanjay Aggarwal:** Thank you. Bye.
- Moderator:** Thank you. The next question is from the line of Ankur Agarwal from Motozak LLP, please proceed.
- Ankur Aggarwal:** Hi, sir. I wanted to know like out of our total loan portfolio how much is secured and how much is unsecured?
- Sanjay Aggarwal:** The entire is unsecured. Even if you consider EQA also we are taking as unsecured, but technically secured by the employer. But the entire portfolio is unsecured.
- Ankur Aggarwal:** The products that you cross sell there also are unsecured loan products, not secured, right?
- Sanjay Aggarwal:** Come again.
- Ankur Aggarwal:** Sir, you cross sell some products to EWA customers, right, so all the products that you sell are unsecured in nature?
- Sanjay Aggarwal:** No, no. See, cross selling is done through our own books also plus DSAs also. In case of DSA business we do not carry any risk in our books, because in that case we only receive the income from the lender. As far as the loan books are concerned, we have not taken any property collectors from any of our clients. That way you can say technically all are secured.
- Ankur Aggarwal:** Okay. And sir like the bill discounting product that you are talking about, so like I am from Jaipur and in my local market I have seen very many small NBFC started and then closed it because it's like a little risky what I have understood. So, sir what is your point of view on that.

- Sanjay Aggarwal:** See, our credit policy is very tight and most of the customers, they are anchor partners are large ones like JSW Steel, Rickitt & Coleman, Haldiram. We are not doing for small anchor partners. They are all AA-plus rated anchor partners for whom we are doing like Delhivery. And these are partners which Baya has signed. But again, we are going with each and every client before onboarding.
- Gurmeet Kaur:** Can I add something here please?
- Sanjay Aggarwal:** Yes, Gurmeet.
- Gurmeet Kaur:** Yes. Just to address your query, this is not a vanilla bill discounting product that is available in the market that Emerald doing. Emerald has tied up with an LFC, Baya is the LFC for Emerald, and Baya has their own technology platform that facilitates the entire invoices management of the merchant with the anchor. Now, in order for Baya to impanel the merchant and the anchor they do very detailed due diligence, and we have restricted our policy to support these customers who have already been there on Baya platform and there is a proven record of the last six months of invoices being cleared on time. So, this is not like a traditional product where we are going, we are checking just the bills and how much are they getting through the anchor. So here both the merchant and the anchor are verified. There is a proven record of the invoices being cleared by those particular anchors, along with the annual agreement for the service that needs to be signed and renewed between the anchor and the merchant. So I hope this address.
- Ankur Aggarwal:** Okay. So in some ways you also see a guarantee from let's say Haldiram before you start bill discounting with their vendors or something, right?
- Gurmeet Kaur:** No, I do not think so. Sanjay, you want to address this or I can also take it, not an issue?
- Sanjay Aggarwal:** Yes, you can take away.
- Gurmeet Kaur:** Yes. So, the model here is slightly different. Like I said, Baya is our loan service provider. And we have got an agreement with Baya which also covers the SLDG component which is permitted by RBI. And they also are going to be supporting us in the selection efforts because these customers, these merchants are the customer of Baya first. And they have got a verified track record on that. So the first agreement is with the LFC. Then the second agreement is going to be with the customer where the customer is evaluated based on our business loan policy which has multiple eligibility criteria and underwriting criteria, and based on which a percentage limit against the invoice that needs to be discounted is there.
- Moderator:** Thank you. The next question is from the line of Snehaddeep Aich, an individual investor. Please proceed.
- Snehadeep Aich:** So my question is that, recently RBI has announced guidelines on gold loan, are you facing any decline on your gold loan distribution segment?



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Sanjay Aggarwal: No, no, not at all. See, we are presently doing for HDFC and ICICI Bank. And in fact, we have tied up with RBL also, we are going to start up with RBL shortly.

Snehadeep Aich: Okay. Thank you. And apart from Chandigarh, which other state corporate is showing interest in this program, EWA program?

Sanjay Aggarwal: No. We are doing EWA program pan-India. We have tied up with corporates as far as Mumbai, Hyderabad.

Snehadeep Aich: Okay. Thank you.

Sanjay Aggarwal: We have got one or two corporates in Calcutta also.

Snehadeep Aich: Okay, I got it. Thank you.

Sanjay Aggarwal: Thank you.

Moderator: Thank you. The next question is from the line of Raj, an individual investor. Please proceed.

Raj: Hi. Good afternoon.

Sanjay Aggarwal: Hi, good afternoon, Mr. Raj.

Raj: Yes. My first question is regarding bill discounting, so how much margin are we expecting in bill discounting after deducting all the commission? And how much business we are expecting in that for this financial year?

Sanjay Aggarwal: We get about 17% and 50% of the processing fees net. Let's say we lend to somebody at 18% or 19%, our share of the profit is 17% plus 50% of the processing fees.

Raj: Okay. And second question is regarding this large MNC, so we are trying to onboard large MNCs since like two, three quarters, but still there is no certainty. So like what is stopping there and how much more time will be required to onboard large MNCs?

Sanjay Aggarwal: For EWA program?

Raj: Yes, for EWA, yes.

Sanjay Aggarwal: See, like we have started operations with a very large company, they are **Indus 34:48** Pharmacy, they have about 1,500 employees. We have tied up with very large company in Bombay, we are going to start operations with them shortly. Our major target is mid-sized segment company. If you talk about Tata Steel, it's very, very difficult to penetrate these kinds of companies because a lot of bureaucracy, it's very difficult to penetrate these companies. Our major sweet spot is

small and medium sized companies. And they have no bureaucracy also over there, and they have been performing extremely well.

Gurmeet Kaur: And also Sanjay, if I may just add, I think we also need to understand that most of the public sector companies have got lot of facilities and programs for their employees themselves. So, this kind of a product, that may not be the most lucrative market for us.

Raj: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Akash Jha from AJ Wealth. Please proceed.

Akash Jha: Hi. Hello, sir. Congratulations for great set of numbers. Sir, one question, I mean, in your previous call you were planning to launch an unsecured personal loan for this EWA customer, so is there any update on that?

Talin Aggarwal: Hi, Akash. So that is still a work in progress. We have been caught up with the bill discounting partnership and the entire product alignment in the last quarter. So we are still working out the logistics and the compliance part of the personal loan piece. So let's see by when we should be able to launch the same. But nonetheless, anyone who needs a personal loan right now is being routed through our subsidiary. So again, there's no loss of revenue there just because of sheer lack of product.

Sanjay Aggarwal: And we want to be a little careful on taking bigger exposure to the employees, right now the market is not that good. You will appreciate that in our line it's very easy to distribute money, if I need Rs. 100 crores today that I can easily distribute. But the main thing is to collect that money. It is really not that difficult to disburse money. Our book as of now is Rs. 80 crores, if I want to make it Rs. 180 crores we can do it in the next quarter only. But to collect that money back, collect the entire Rs. 100 crores back is a tough challenge. So we want to go slow and steady on a firm footing.

Akash Jha: Right sir. Second is, I mean, I would like to understand the management reason for this EWA product. I mean, over the next three, five years how big could this business become for Emerald as a whole?

Talin Aggarwal: So if I may add into that. So, on a quarter-to-quarter basis, our revenue from this program has increased by close to 100%. And we strive to maintain that percentage going forward. So the idea here is, as we have reiterated in previous calls as well, our EWA is essentially a customer acquisition tactic we use. So we are able to, one, acquire a business corporate house; second, the employees of it. And we cross sell a lot to both these categories. And similarly in this respect we have been launching products to cater to this audience. So the idea here is that EWA will help us quickly get these clients and then we cross sell, either we cross sell from our own book or we cross sell through the subsidiary, and that's where the real money comes in from.

- Moderator:** Thank you. The next question is from the line of Dharmesh Patel, an individual investor. Please proceed.
- Dharmesh Patel:** Congratulations on a good set of numbers. Sir, my first question is, any plans to list on National Stock Exchange? We are listed on BSE I think.
- Sanjay Aggarwal:** Yes. See, to get listed on the National Stock Exchange, a BSE listed company needs Rs. 35 crores of net worth for three consecutive balance sheets. This year we have crossed Rs. 35 crores. One of the major reasons for coming out with the preferential allotment is the net worth should increase Rs. 75 crores, this year we have closed on Rs. 75.10 crores. So '26 and '27, if our net worth is more than Rs. 75 crores, we be eligible for listing on NSE.
- Dharmesh Patel:** Are we planning to list over there, sir?
- Sanjay Aggarwal:** Let us see, we have two more years to do that, we cannot do it before March '27. But out of three year, for first year eligibility criteria is satisfied. Like in '25 balance sheet we have a Rs. 75 crores plus one, and now we need to have Rs. 75 crores net worth in '26 and '27 also.
- Dharmesh Patel:** Okay, fine sir.
- Moderator:** Thank you so much. The next question is from the line of Araup Devy, an individual investor. Please proceed.
- Araup Devy:** Would you provide any guidance on personal loan and bill discounting such as EVM disbursement, or any other relevant method?
- Sanjay Aggarwal:** See, we are targeting 250 corporates this year as far as EWA program is concerned. Bill discounting we have just started, I cannot give you any exact numbers, how much you would have done by end of the year, that is still work-in-progress. So as I said earlier, we want to move in a very slow and steady manner on a firm footing. But as far as the profitability whatever guidance we have given in the previous con call we stick by that. And I think hopefully we achieve what we are projecting in the last year. And in the coming year also earnings growth should be what we have given guidance in the previous con calls.
- Araup Devy:** And what is your current monthly run rate for EWQ?
- Sanjay Aggarwal:** As on 31st March about Rs. 3 crores, we did Rs. 3 crores plus, now currently we are doing Rs. 3.4 crores.
- Araup Devy:** Okay. Thank you.
- Sanjay Aggarwal:** Thank you.

- Moderator:** Thank you. The next question is from the line of Bibhor Halan, an individual investor. Please proceed.
- Bibhor Halan:** Thanks for the opportunity. And first of all, congratulations for a great set of numbers. Two parts to the question. One is that out of your total book size of Rs. 80 crores what is your book size of SME and what is the growth we are targeting for next year? That's the first question. And the second part of the question is, your ROE is very low at 10.8%, are we targeting to increase the ROE to around 15%, 14% in the near future?
- Sanjay Aggarwal:** See, we will try to increase it as much as possible. See, that can always increase if we take higher risk. We do not want to take extraordinary risk, please appreciate one thing. Of course, every company is interested to increase their return on equity, but for that we have to correspondingly take the higher risk also, which we do not want to take as much at this stage.
- Bibhor Halan:** Okay. And first part sir, what is our SME book size and what is our growth guidance for that for the next year?
- Sanjay Aggarwal:** Of the total book as on 31st March Rs. 3 crores was EWA and the balance was SME.
- Bibhor Halan:** So Rs. 77 crores were SME, right?
- Sanjay Aggarwal:** Yes.
- Bibhor Halan:** And what is the growth guidance for the next year? What is the loan book? What is the AUM growth guidance?
- Sanjay Aggarwal:** See, we are targeting Rs. 15 crores book by end of March for EWA and about Rs. 110 plus crores in business loan. That's the bare minimum. In fact with the buyer we might be increasing it only.
- Bibhor Halan:** Sir one more thing, but, if we are not thinking of taking undue risk, right, of increasing the ROE, then what was the logic behind taking a pref. of Rs. 13 crores, Rs. 14 crores? Because then where have we deployed this capital out of this Rs. 17 crores, the Rs. 14 crores has been deployed where?
- Sanjay Aggarwal:** See, we have deployed in business loan, and we are deploying in the EWA program, we still have unutilized funds remaining with us.
- Bibhor Halan:** Sir, can you provide a breakup of, can we get the RWA's Rs. 3 crores breakup, I mean, how much ROE are we getting from revenue, I mean, can you provide a breakup of your ROE, too? Because ROE of 10.8% seems to be very low if you are a zero NPA product.
- Sanjay Aggarwal:** See, in business loans we are deploying almost 17% on average and EWA is about 20% what we are giving gross return on that.



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Bibhor Halan: Okay. So you are saying on EWA, what is your interest rate percentage for EWA?

Sanjay Aggarwal: Almost 20%, 20-percent-plus, plus only rather.

Bibhor Halan: Okay. And one of the reason what I think is of your very low ROE is your maybe leverage ratio, because your leverage ratio is probably 0.5.

Sanjay Aggarwal: Yes. Our leverage is very low. Now we are planning to raise an equity, we are planning to raise debt only now.

Bibhor Halan: So no more plans to raise the preference, right?

Sanjay Aggarwal: No, no, no. We have already applied to the State Bank for increasing our limits.

Bibhor Halan: Got it. Thank you. Thank you, sir. I will join back the queue.

Sanjay Aggarwal: Thank you.

Moderator: Thank you. The next question is from the line of Jigar Shah, an individual investor. Please proceed.

Jigar Shah: Yes. Congratulations on a very good set of numbers. I have one query, this EWA program, who pays the commission actually? Is it the employer pays or employee, it gets deducted from the employee only, whatever 1.5 to 2% commission you charge?

Talin Aggarwal: It's the employee who pays us. It's the employee who's bearing the cost for using the facility.

Jigar Shah: Okay, so it doesn't come from HR or the employer actually, you just deduct the commission from the loan which you have given the advance loan which you have given to the particular employee, okay, fine.

Moderator: The next question is from the line of Hitesh Randhava from CAGR Quest Capital. Please proceed.

Hitesh Randhava: Yes, my question has already been answered. Yes, thank you.

Moderator: Okay, sure. Thank you. The next question is from the line of Dharmesh Patel, an individual investor. Please proceed.

Dharmesh Patel: Yes. Sir, any employers who have decided to discontinue our services in EWA program?

Sanjay Aggarwal: No, not as of update, no.

Dharmesh Patel: And in cross selling, sir, do we cross sell insurance or mutual funds or any other products?

- Talin Aggarwal:** Sir, this time we are only cross selling higher credit products to them. But going forward, we would definitely like to explore cross selling of investment and insurance.
- Dharmesh Patel:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Khush Kothari from FEC SPIT. Please proceed.
- Khush Kothari:** Hello. So, can you help me draw a pattern around what business strategy are we deploying? I am facing some trouble. So earlier we were maybe entirely business loan focused NBFC, then we move towards an EWA loan focused fintech company, and now we are again, reverting back to that. Can you help me draw a structure, what our strategy is?
- Talin Aggarwal:** So allow me to maybe take you through the entire journey, so I think that will help shape your narrative better. So we started as a loan originator back in '95-'96. At that time we were working for City Finance, and that is the one which we have been talking about, the loan origination business, so that has grown massively, so there we have almost 40-plus lenders for whom we do all sorts of credit products and that is under the subsidiary, ShubhBank.com.
- Khush Kothari:** Understood.
- Moderator:** Thank you. The next question is from the line of Ankur Aggarwal from Motozak LLP. Please proceed.
- Ankur Aggarwal:** Sir, I wanted to know one thing. Do the promoters of the company also have a separate financing business or is Emerald Finance the only one?
- Sanjay Aggarwal:** No, we were not into only finance business, we started as a DSA only. I am a chartered accountant myself; we started as a DSA back in 1997.
- Ankur Aggarwal:** Okay. So basically there is like no other separate business, private business kind of a thing?
- Sanjay Aggarwal:** No, no, no. You can say that my mind, body and soul is in this company only.
- Ankur Aggarwal:** Okay, sir. Thank you, sir.
- Sanjay Aggarwal:** Look at it from other angle, for EWA products in this country it's just a matter of time, like this product is flourishing in US, Europe, Philippines and now in Indonesia, the company in Indonesia is becoming very big. India is one of the biggest market in the world for this kind of a product, and there are only four major rivals in this country. And end-to-end operations in our case, end-to-end operations within our system, and we are operating at absolute zero delinquency right now. We have a huge strong base right now on which this base we can multiply on this particular base, keeping our delicacies flow as financing pattern is very good, we are hardly leveraged, there's a huge scope for raising debt on our balance sheet. Against the total equity of

Rs. 75 crores as on 31st March, the total outstanding debt was only Rs. 13 crores. You name a lender, they are approaching us. So there's a huge scope of growth in this particular product, provided we keep our delinquencies absolutely nil.

Ankur Aggarwal: Definitely, sir. But one small thing is that the ticket size is very, very small for every customer, so the growth of it is like you need such a heavy volume, and we do not know how much time will it take to reach there. I mean, if you want to take your revenue of Rs. 6 crores now to Rs. 30 crores quarterly, or Rs. 40 crores, like it's a very, very huge task I believe.

Sanjay Aggarwal: I will say, I totally agree with you. I still remember my first meeting with SBI, after disbursement when we had our first meeting, went over there for our total disbursement of Rs. Lakhs, today we are sitting there at Rs. 3.4 crores. Slowly and steadily things will build up, when your direction is clear and your heart and soul is there, God helps you.

Ankur Aggarwal: Yes, definitely.

Sanjay Aggarwal: We can establish a very big company on this product. A very neat and clean NBFC, asset-light NBFC where risk factor is very low and margins are excellent, the world will come and look at this thing. When we had started it was very difficult to get our first corporate, as of today we are working with 75 corporates, it is just a matter of time we will touch 250 and then we are targeting 1,000 corporates. You just think and imagine when we will have 1,000 corporates where will our company stand.

Ankur Aggarwal: Definitely. Today with 75, we are working with 30 as of now, so when rest of them will start working then I think it will grow.

Sanjay Aggarwal: Out of 75 at least 58 are operational right now, I think more than 58 are operational right now.

Talin Aggarwal: More than only. So I think what he's trying to say is that I think 250 is just the goal, right, it's the process that matters more. When we started we were barely doing a couple of lakhs a month, and now we are already in a couple of cores. So this number will keep growing as we grow and in simultaneous our top line, bottom line everything will grow accordingly.

Gurmeet Kaur: And if I will just add this one part to it, that's also very important, what consumer durable is to Bajaj Finance, it's their acquisition channel, similarly EWA is also an acquisition channel for us where by doing EWA we are helping the employees build their credit scores. So once we have established a credit history for this particular customer, and coupled with the deduction flow model, we will also service the client with additional credit card. So we have to look at the complete growth trajectory in a holistic manner.

Ankur Aggarwal: Understood. I mean, you guys are going in a very good direction, and I really love it. Do you have some internal vision like till 2030 this much revenue we want to do or we can do, I mean, not a guidance but any internal vision if you have, because you are so connected to the market.



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- Gurmeet Kaur:** I will take that. The vision is there, but we would like to talk in this particular call on the tactical numbers. Because the vision, of course, always starts with the vision of five years, 10 years where you want to go. But you also do post corrections and based on what the market reality happens year-on-year, coupled with what are the other external influences, it can have an impact.
- Ankur Aggarwal:** Got it. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we take that as a last question for the day. I would now like to hand the conference over to Ms. Chandni for closing comments. Over to you ma'am.
- Chandni Chande:** Thank you, everyone, for joining the conference call of Emerald Finance Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference call. Thank you, Sanjay sir. Thank you, Talin sir. Thank you, Gurmeet ma'am.
- Gurmeet Kaur:** Thank you so much.
- Sanjay Aggarwal:** Thank you very much.
- Talin Aggarwal:** Thank you very much, everyone.
- Moderator:** On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.