

May 14, 2025

**To**  
Secretary  
Listing Department  
**BSE Limited**  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**Scrip Code: 539199**

**Sub: Transcript of the Conference Call held on May 8, 2025.**

Dear Sir/ Madam,

With reference to our letter dated 3<sup>rd</sup> May 2025 intimating you about the conference call with Analysts and Investors held on 9<sup>th</sup> May 2025 (Friday), please find attached the transcript of the aforesaid conference call.

This above information is available on the website of the Company i.e. [www.sgfinserve.com](http://www.sgfinserve.com) . We request you to kindly take the above information on your record.

Thanking you.

**For SG Finserve Limited**

**Ritu Nagpal**  
Company Secretary and Compliance Officer  
M. No. A38318  
Encl.:- a/a



**“SG Finserve Limited  
Q4 & FY25 Earnings Conference Call”  
May 09, 2025**



**MANAGEMENT: MR. SORABH DHAWAN – CHIEF EXECUTIVE OFFICER –  
SG FINSERVE LIMITED  
MR. SAHIL SIKKA – CHIEF OPERATING OFFICER AND  
CHIEF FINANCIAL OFFICER – SG FINSERVE LIMITED  
MR. ANUBHAV GUPTA – GROUP CHIEF STRATEGY  
OFFICER – SG FINSERVE LIMITED**

**MODERATOR: MR. KISHAN RUNGTA – EMKAY GLOBAL FINANCIAL  
SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 and FY25 Earnings Conference Call of SG Finserve Limited hosted by Emkay Global Financial Services Limited. As a reminder, all participant 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kishan Rungta from Emkay Global Financial Services Limited. Thank you and over to you, sir.

**Kishan Rungta:** Thank you. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Sorabh Dhawan, CEO, Sahil Sikka, COO and CFO and Anubhav Gupta, Group Chief Strategy Officer. I shall now hand over the call to the management for the opening remarks. Over to you, sir.

**Anubhav Gupta:** Thanks, Kishan. Thanks to Emkay Global for hosting SG Finserve for its Q4 FY25 Earnings Call. I welcome everyone. I am Anubhav Gupta. I feel really proud to tell everyone the way SG Finserve has created its business model in the last two and a half years since we started this company because in October 2022, the primary objective was to offer bill discounting services, supply chain funding for the main group company APL Apollo and very quickly we ramped up the loan book to INR1,000 crores within two, three quarters.

And March FY25 we closed with INR2,300 crores near about loan book and if we look at the growth in the disbursements on quarter-on-quarter basis, last quarter we did gross disbursements of around INR5,000 crores which is up 10% on quarter-on-quarter basis despite the fact that we are facing macro headwinds in the construction material and consumer sectors plus the overall slowdown which is triggered from the low government spends and the after effects of general elections as the government spending continue to slow down.

When we started, we were a single group customer. Today again I feel proud to share that we have an anchor list of more than 45 which includes groups like JSW, Adani, Bajaj, Tata, Vedanta and all the major conglomerates one can think of who have enrolled to the products and offerings being offered by SG Finserve.

The visibility of anchors what we have today, we are confident that we can take this loan book from INR2,300 crores to INR4,000 crores in 12 months and INR6,000 crores by FY27 and while growing this loan book, we are being very prudent that we continue to achieve ROE of 18% to 20% with ROA of 4.5% to 5% and this is all possible with the kind of capitalization this company is already having plus the new capital which will come over the next 12 months with the conversion of warrants and of course the bank limits what we have with the top private or national banks within the country.

So, we are super confident that this business can grow to the scale which will be uniquely positioned as one of the only NBFCs which is supplying unique proposition, which is supply chain funding and bill discounting for the large conglomerates and groups who are highly

focused towards the manufacturing. Sorabh, I would like you to take investors and analysts through the Q4 performance.

**Sorabh Dhawan:**

Thank you so much Anubhav. Good afternoon everyone and thank you for joining us for the Q4 and FY25 investor call. First, it is a pleasure to be with you today. As we close out what has been a transformative year for our company. FY25 has been a year of both challenge and opportunity including the regulatory transitions in the first half. I am proud to say that we are ending on a very strong note. The highlights for the fourth quarter, wherein we saw exceptional momentum.

AUM grew from INR1,568 crores in December to INR2,326 crores by March. That was a 48% quarter-on-quarter increase. In fact, you look at the growth from the first half to the second half, the AUM has almost tripled from INR822 crores in September to INR2,326 crores in March.

Total income for the quarter came in at INR54 crores up from INR42 crores in Q3, a solid 27% growth and profit before tax stood at INR31 crores which is broadly at par with Q3. That is largely because much of our book expanded later in the quarter. Looking at full year, FY25, total income was INR171 crores, slightly lower than INR190 crores but the decline was due to the contraction in the book that happened during the first half wherein from the peak book of INR1,900 crores, we had to trim down the book to about INR766 crores during H1.

But the good news is we bounced back strongly in Q4. Our quarterly income of INR54 crores certainly translates to annualized income of INR215 crores on the current levels. Profit after tax for the year came in at INR81 crores up from INR78 crores in FY24, even with the headwinds we faced during H1.

The growth certainly reflects that the growth momentum has been recouped. H2 PAT achieved is INR48 crores that we can say that we are on a run rate of INR100 crores for the year on the current base. So what's driving the performance? First, we've continued to deepen our relationships with anchor partners and expanded our sector coverage. In Q4 alone, we onboarded names like Tata BlueScope, Eastman, Havells, Shyam Metalics. These additions pushed our anchor MOU flow potential to INR5,500 crores, an increase of INR500 crores just this quarter.

Second, our funding ecosystem has significantly strengthened. All the banks have returned back. We've got 14 banks now and sanctioned limits of around INR1,500 crores and many others in discussion to fuel the growth for FY26. We continue to maintain strong fundamentals. Our average yield remains at 12.5% and our borrowing cost is stable at 8.5% giving us a healthy spread of 4%. This consistent margin is a clear indicator of the robustness and scalability of our model.

Looking ahead, we remain firmly on track to achieve our loan book target of INR4,000 crores in FY26 and INR6,000 crores in FY27. We've already showcased AUM addition of INR750 crores both in Q3 FY25 and Q4 FY25. Thus, required momentum is there to meet these numbers of 4,000 and 6,000 for current and next financial year.

Our equity base currently stands at INR1,015 crores with visibility to grow to INR1,500 crores by FY27 backed by equity commitments that is balance 75% of warrants of INR450 crores and plough back of profits. In summary, Q4 and the full year have marked a turning point. After navigating the challenge of the first half, we've come back stronger with renewed momentum, stronger partnerships and sharper execution focus.

We are deeply grateful to our shareholders, our anchor partners, our customers and, of course, our team who made this growth possible. With that, I'd like to open the floor to any questions you may have. Thank you so much.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rohan Mehta from FICOM Advisory. Please go ahead.

**Rohan Mehta:** Thank you so much for taking my question. So firstly I wanted to understand slightly on the business side. Currently, as of where you stand, what are the top three foreseeable and unforeseeable risks that you believe could impact SG Finserve this business over, let's say, the next 12 months to 14 months. And additionally, what internal controls or any frameworks do you have in place to mitigate this risk?

**Sorabh Dhawan:** So thank you Rohan for your question. When it comes to risk in supply chain finance, I think monitoring of cash flows on day-to-day basis is extremely important. We are almost at the final stages of launching our AI based monitoring tool from where we will be extracting data from GST portal on monthly basis and capturing the sales, purchases, anchor wise, state wise, HSIN wise and also tracking the repayments done through our counter, which will help us keep a track, the borrowers have utilized the money in the right form and repaid back to us on time.

So that is the foremost thing that we are doing, which will help us keep almost a monthly tracker health check up of all our borrowers. What kind of external factors? There could be many macro and micro both, would they impact liquidity, commodity cycle, but I think the way we have been approaching this is, the number of days, the churning number of days, which is about 35 average right now is extremely small cycle for any such impact which may be based on the commodity or may be based on the macroeconomic factors, we will be able to absorb that. I hope I've been able to answer this.

**Rohan Mehta:** Yes, that does answer my question. And lastly, I just wanted to understand your breakdown or your composition of fee income and other income. I believe you have segregated them separately. Just wanted to understand what is it exactly?

**Sorabh Dhawan:** So, fee income is a processing fee. And there is a other income, which was a provision which was done during the first nine months and that provision has been written back. So, that provision was not required and that has been written off. So, that is the component which has been written back in Q4.

**Rohan Mehta:** Got it. Perfect. That's all from my side. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Arup Dey who is an Investor. Please go ahead.

**Arup Dey:** What kind of disbursement number are you aiming for over next few quarters? And if you can provide any guidance on PAT, that would be helpful?

**Sorabh Dhawan:** Thank you, Arup, for your question. See, Q3 and Q4 FY25, we've added loan books AUM of about INR750 crores per quarter. We're currently standing at about INR2,350 when we close this year. And the number that we're looking at FY26 is INR4,000 crores, which is an addition of about INR1,600 crores. Run rate per quarter addition is about INR400 crores. And we've already showcased that we were doing about INR750 crores per quarter.

So, certainly, our target would be to overachieve the INR4,000 crores loan book. The disbursement, the gross disbursement would gradually increase when the incremental loan book happens. The average churning days are about 35 days. So, when we will be reaching a loan book of about INR4,000 crores, gross disbursements monthly would be about INR3,000 to INR3,500 crores.

**Arup Dey:** And about the PAT?

**Sorabh Dhawan:** So, PAT currently, we've already reached a run rate of about INR25 crores per quarter. And we're looking at adding INR500 crores per quarter at 4% spread, which will add to this quarterly number, about INR10 crores to INR12 crores of addition would happen in this quarter-on-quarter basis. So, we're looking at adding about INR10 crores to INR12 crores of PAT to this INR25 crores run rate.

**Arup Dey:** Okay, thank you.

**Moderator:** Thank you, sir. The next question is from the line of Gaurav Agarwal, who is an Individual Investor. Please go ahead.

**Gaurav Agarwal:** I'm simply asking like we have kept a target of 4,000. Don't you feel like it's very low for a company with a small base, like quarterly we are doing around INR700 crores and we are keeping our target of 4,000 crores. So, we should aim for like 6,000 in FY26. And as well as I just want to know, like AMU has increased, but the profit is flat.

**Anubhav Gupta:** Gaurav Anubhav here. Yes. All right. So, so thanks for showing the kind of conviction in our business model. See, I mean, we come from the values of APL Apollo group which, I mean, which you know is very aggressive, but if you look at -- if you deep down how we have grown this group. So whenever we start something new, we take small steps, baby steps.

Once we are like fully convinced on the business model, we do the 100% of risk mitigation, then we go full throttle. And, NBFC finance lending is very, is very serious business. So, I mean, the opportunity is there to grow this book beyond INR4,000 crores, but why we have set ourselves this target over the next 12 months, keeping in mind the quality of growth is very important here because, I mean, do we have capital available? Yes.

Do we have limits from banks available? Yes, to grow beyond this. But it's a young business two and a half years old. We are also every day is a learning, new learning curve for us. I mean, even if we add INR2,000 crores of additional loan book during this financial year, our net profit

run rate, which right now is INR100 crores, by the time we end the year it will grow to INR200 crores.

So we are almost doubling the profit for the company in the next 12 months and then when we add another INR2,000 crores in FY27 that will give another INR100 crores to the PAT. So we are already talking about growing net profit to INR300 crores, at least, the run rate in the next 24 months from current INR100 crores. So, I think this is good enough for team of 55, which is running the show right now and as the quarter goes, as we ensure that there is no NPA, as we ensure that there is no delay in the payment, as we ensure the quality of customers does not deteriorate.

And like I said, I would like to rehash the kind of groups we are getting attached to top notch groups in the country. So, we want to ensure that this high growth is coming from the quality of customers, so that the business remains 100% risk free or I would say that as much risk free as possible.

**Gaurav Agarwal:** Because my only concern is like, when our base is so low and if we grow like with a very low number, then how will we surpass the expectation of the shareholders? Because from last two years, we are not generating any kind of return for the shareholders if you look at the performance. If I am an investor from last two and a half years and I am expecting nothing, I am getting nothing out of it. So, I hope you can understand my concern?

**Anubhav Gupta:** So, Gaurav, definitely, your concern is valid. And stock price performance is a function of a lot of factors. Yes, our profit remained flat for FY25, because of the regulatory issues, what we faced in first half with now everyone knows that is behind us and second half we bounce back so strongly, so sharply that from here on the foundation where we are standing, we are talking about tripling our net profit in next two years. So, I guess I would request you to remain patient as you have.

**Gaurav Agarwal:** I will definitely do. But my only one more concern like why there is a profit flat in compared to the last quarter. AUM has grown by 50%, approximately 40%, 50%, but the profit is flat. Why so? Last quarter, it was 23. This quarter also it is 23?

**Sorabh Dhawan:** Gaurav, when we started Q3, bank financing was not available. We had access to some very low-cost debt from the group and that is the reason that there was profit. But Q4, there was no such support available. 100% book was created through bank debt only.

**Anubhav Gupta:** So, this was the same loan which was given by the promoter during the first half which got carried forward to quarter 3. So, Q4 the base is now nominal base, where all the debt is market debt. There is absolutely no support.

**Gaurav Agarwal:** There was a support from the promoter side, but this quarter. So we have performed individually as an entity.

**Anubhav Gupta:** Absolutely. That's right. Because till Q2 promoter had infused debt in the company that was at very low cost to mitigate that regulatory risk. So, that continued in the quarter 3 and now quarter 4 the company was on its own. So, this performance is as per the market standards.

- Gaurav Agarwal:** Sure. Thank you, Anubhav. My only submission is also think from the perspective of shareholder who is with the company from so long, who have already paid so much patience.
- Anubhav Gupta:** Yes, definitely. Gaurav, we are proud to have shareholders like you and we can promise you that we will not leave any stone unturned to perform beyond your expectations.
- Moderator:** Thank you, sir. We will take our next question from the line of Nemin Doshi from Geojit PMS. Please go ahead.
- Nemin Doshi:** Yes, hi. Thanks for this opportunity. First, we just wanted a clarification like you mentioned the other income consists of reversal of provision. Am I right?
- Sorabh Dhawan:** Yes, please.
- Nemin Doshi:** And so, what is this impairment on financial instrument having a negative figure? I mean, just wanted to reconcile this figure?
- Sorabh Dhawan:** So, there are two provisions. One was employee benefit, which has been reversed. So, that is accounted for in other income. And impairment there was a provision made in quarter 2 of INR5 crores and that has been written off. So, that is a INR5 crores write-off that we have done. And post that, this is the profitability number.
- Nemin Doshi:** Okay, so other income is because of employee provision reversal and the impairment shows the NPA reversal, right?
- Sorabh Dhawan:** Yes, that is a write off.
- Nemin Doshi:** That's a write off and second, sorry...
- Sorabh Dhawan:** Provision was already in place. So, that is a write-off. So, that provision was already there. Sorry, we can go to the next question.
- Nemin Doshi:** Okay. That's all. Secondly, with respect to NIMs, how are we looking at our NIMs for FY26 and 27, given the fact that there could be possibly two more rate cuts?
- Sorabh Dhawan:** So, Nemin, how does it work is that we have been able to extract better interest rates from the bank immediately after the rate cut. But have we passed on the entire benefit to the customers? Answer is no. Some partial benefit has been passed on. So, NIMs are expected to be better than earlier, when it is the downward cycle.
- So, when we are in the downward cycle and we expect that to continue for some time, we will be on the advantage side, because we are cognizant and immediately from the banks we are able to extract better rates, but there is a lag effect when we pass it on to the customers.
- Nemin Doshi:** Okay. So, this 8.5 could come down to, say, for example, 8 or 7.5. However, your yields would reprise with a lag?



- Sorabh Dhawan:** I mean, it has already started to happen. Majority of our borrowing now is about 8 quarter and this is the average that we were enjoying, that we were getting in the last quarter. It is already down to 8 quarter in 835 levels.
- Nemin Doshi:** Okay, thank you. Thank you so much. That's all for my side.
- Moderator:** Thank you. The next question is from the line of Shubham, who is an Investor. Please go ahead.
- Shubham:** So, first of all, congratulations to your team on delivering the right set of numbers this quarter and AUM growth and also the ROE focus. Now, my question is to Anubhav sir like this is a bit long-term question. Like, for the next five years, what is the goal of the company? Are we trying to remain or will we try to remain just in supply chain financing and what is the market size here, what is the opportunity you are seeing or will we morph into a bigger NBFC doing multiple things, what is the long-term that our companies can give?
- Anubhav Gupta:** So, Shubham, see, I mean, if I have to tell you as a group, when we entered into this business, even we didn't know that the kind of scalability we will see that within like two, three years. And the kind of anchors we have been able to add. So, this gives us confidence that even supply chain funding. I mean, on a GDP country, economy size of like whatever \$3 trillion, \$4 trillion. This is a massive, massive opportunity and the gap what we see, what the current financial institutions are not able to plug.
- So, we see clear gap. We have already given you roadmap for the next two years with the loan target of INR6,000 crores. Earlier, we used to say INR5,000 crores. Now, we are telling you INR6,000 crores is already up. Everything goes well. We may end up doing beyond INR6,000 crores also, but whatever growth will come, it has to come with ROE threshold of 18%. So, that is number one.
- Second is like when we talk about five years. We believe that the kind of systems, the kind of tech stack we are building to tackle these 45, 50 anchors. The next leg of opportunity will come when we go downstream one level below these distributors and we straight away start going and reaching out to the retailers under these distributors. So, that will open up Pandora box within the same value chain where you are already a part of.
- And this will not bring any additional risk to our system. It will just open up a massive opportunity within the same value chain without adding any element of risk. So, I think we are fully committed to keep on innovating, to keep on offering better solutions within this supply chain funding for our customers and keep on segregating the customer base, like from anchor to the distributor, from distributor to the retailer.
- And once you have the data collection throughout the value chain, just imagine the value of this data which you can eventually monetize also because you will be buying patterns of the retailers in a specific industry. So, I think we are fully committed as a group to keep on growing and expanding operations within this segment, at least for next five years.
- Shubham:** Thank you, sir. Sir, one last question is Quick Commerce a threat to our business, like in some way because it will impact the distributors and retailers, offline retailers, basically. So, will that

be a threat to our business or we are in the products that can't happen to Quick Commerce, like electronics and all? Is that a threat?

**Sorabh Dhawan:**

No, that continues in parallel. But this distribution network, some of our distributors also are suppliers through Quick Commerce. So, I think this supply chain financing is required on Quick Commerce side also. So, it will continue in parallel.

**Shubham:**

Okay. Thank you, sir. Best of luck.

**Moderator:**

Thank you. The next question is from the line of Manish Kella who is an Investor. Please go ahead.

**Manish Kella:**

Hi, good afternoon to all. I have a couple of questions. So, one is your PPT says that the gross NPAs are nil, but if I look at the Q1 results or even the latest results, your footnote says that an amount of INR11.4 lakhs has been written off. And during Q1, the amount was INR21.69 lakhs. So, any reason as to why we say that our gross NPAs are nil, whereas in the footnote we say that there is less much of an amount which has been written off? Is it because we think that the amount is very negligible because when you round it off, it is something like 99.99 percentage, the loan book which is good and hence the reason.

So, this is getting very stringent say from the past one and a half, two years and they have also taken action on many of the NBFCs, other NBFCs, who were saying to go on lending or someone who had a MFI operation. So, while those companies had multiple businesses and were able to probably survive on account of the other businesses and their MFI or the gold loan business was not lending any money because of RBI regulation.

How do we avoid something of this sort happening to us or would you say that ours is a kind of a segment wherein the regulator would not intervene because of the kind of a segment or a business that we are in. We are free to determine the interface that we charge our customers or the way the repayment is done by them, because there is no ever greening of loans happening. So, we are good from that perspective. So, these were my two questions?

**Sorabh Dhawan:**

Sure. Thank you, Manish. The first one, this account wasn't an NPA. This account happened -- there was a write-off of about INR11.4 lakh which has been taken by us. And that is why it is not considered as an NPA because the write-off has been considered by us. B, when you talk about RBI being strict on NBFCs as per our discussions held with RBI officials, trust me they want to curve down the malpractices in the industry, which is overcharging of customers, unnecessary charges being levied, higher interest rates, etcetera.

Our model just got clearance and all these aspects were checked. B, we charge only interest rates which are nominal between 11% to 13%, 13.5% and some one-time processing fee. There are no other charges which are levied to the customers and that is the reason that of two and a half years of operations, we have not received even a single customer complaint. And I think the RBI comes strict, when they see a specific product or a specific segment, wherein the customers are being overcharged or they are not being given clarity on the total cost of the money that is being lent to them. So that is where they come out strict.

- Management:** Further to add on, the amount that is mentioned in the footnote, that is the write-off amount. As a conservative practice, we had an option to classify the same in the NPA, but that as a conservative practice we have mentioned it under written-off amount only. So that is why the NPAs are.
- Manish Kella:** Yes, thank you. So maybe I was wondering, you can mention that in the PPT also while calling out this amount?
- Management:** Sure. Thanks, Manish.
- Moderator:** Thank you. The next question is from the line of Akhilesh Kumar, who is an Investor. Please go ahead.
- Akhilesh Kumar:** Thank you for giving an opportunity. I wanted to know about the retail book. I think last call you informed us that it will be starting this quarter, you will be doing that. And what is the current book size and what is the target you have in mind for this next year?
- Sorabh Dhawan:** Sorry, Akhilesh, can you just repeat it again, retail, is it?
- Akhilesh Kumar:** Yes. Retailer you said that you will be starting disbursing from last March quarter and whether we have started that already and what is the target for us in next financial year?
- Sorabh Dhawan:** Sure. Akhilesh, so we have started to sign up memorandums or agreements with the large distributors where we will be doing retail. And we have already signed them for INR150 crores to INR200 crores and the penetration is underway. And we will be starting onboarding these customers from this quarter itself. But as on today, we've already got MOU signed up of about INR150 crores plus.
- Akhilesh Kumar:** Okay. So the target AUM of INR4,000 crores for next year, how much percentage of that we are accounting for this particular account?
- Sorabh Dhawan:** Around 5% to 10% -- 5%.
- Akhilesh Kumar:** Okay, thanks. Thank you. And one more last thing I saw some unsecured loans in our books from last few quarters. I'm not very familiar with financial. Can you just help on that, what kind of unsecured loans we are having on books?
- Sorabh Dhawan:** So these are also supply chain finance loans, but these are two large dealers, distributors, wherein security creation because of being into multiple banking has not been possible. But however, we wanted to be part of their arrangements and that is why we've extended these loans, but these are in normal course of business because these are pretty large dealers where other banks did not wanted us to enter. But I think we are pushing on regular basis to convert these into secured and we will keep on doing that.
- Akhilesh Kumar:** So we don't see any risk here?

- Sorabh Dhawan:** No. See, entire funding happens to the dealer and the material is supplied to -- entire funding happens to the anchor and the material is supplied to the dealer. So from that ways, we are sure that whatever money we pay, we pay directly to Tata Motors or Vedanta and they supply material to this dealer and these are pretty large dealers, majorly of Tata who've been there with them for last 30 years, 40 years, but security creation was an issue.
- Akhilesh Kumar:** Okay. And the kind of growth what we are seeing for last two quarters, do you think we will stick with our debt equity ratio of 3 or we will go beyond that?
- Sorabh Dhawan:** So as of today, we had envisaged that we'll be doing a INR6,000 crores book with a INR1,500 crores equity base and INR4,500 crores of bank debt, which is 1 is to 3. We continue to maintain that.
- Akhilesh Kumar:** Okay, thanks a lot.
- Sorabh Dhawan:** Thank you so much.
- Moderator:** Thank you. We will take our next question from the line of Jay Wadhawan, who is an Investor. Please go ahead.
- Jay Wadhawan:** Yes. Good afternoon. So my main question was around the debt to equity ratio only, but it got answered. So thank you. Great set of numbers, great prudence. My one single question I wanted to understand was like one of the questions was around how you are not serving the shareholding. My thing is that what extra can you do for shareholders as in other than performing in the market actually? What does it imply when you say, yes, we'll take care of shareholders?
- Anubhav Gupta:** We are in touch with our board to frame a dividend policy. Whenever there is a decision on that, that will be one way of rewarding shareholders. And as of now, the focus of the team is to perform beyond our shareholders expectations, which will take care of everything.
- Jay Wadhawan:** Yes, exactly. So that's my point like your job is to perform on the ground and the share price is not really in your company.
- Moderator:** Thank you, sir. We'll take our next question from the line of Manish Kella, who is an Investor. Please go ahead.
- Manish Kella:** Yes, I have a couple of other follow-up questions. So, one what is the percentage of loan book or the business that we get from the group, which includes SG Mart, Apollo Pipes, APL Apollo? Second, since ours is a new business, has anything changed on ground in terms of if any, wherein we are not factored in some of the risks or challenges earlier, but now we think as we do more and more business, those sort of challenges are more evident now?
- Sorabh Dhawan:** Thanks, Manish. So percentage of business which happens with the group, including APL and SG Mart and Apollo Pipes is less than about 40% now. And if I talk about the incremental business that we do with this group is about 10% to 15% and balance 85% to 90% of fresh business happens outside the group only A. And about the, sorry, your second question was about the risk factor that we are seeing when we are moving outside.

So I think we've done considerably well when we talk about 60% of the book is outside the group and we've been able to identify risk and develop mitigants. I think the monitoring tool that I mentioned in the very beginning of the call, that is one such turning point because we will be able to monitor the cash flows on monthly basis and more data-oriented approach.

So as you will see, it's a 55-member team managing a book of about INR2,500 crores and also looking at INR4,000 crores, I'm not looking at increasing the employees many more, not looking at increasing the employees many more. The only reason is that we've been tech-oriented and data-oriented all throughout our journey and we'll continue to do that to mitigate our risk and that's why we keep a full control on the churning days for each of our borrowers. And till the time they are under control, the risk is low. And I think about INR35,000 crores of disbursements until now speaks that NPAs are not there, that speaks about the quality of the book.

**Manish Kella:** All right. Thank you, sir. And sir, one final thought. I know a couple of participants talked about the stock price, but all that I can say is I've watched this group closely and ever since the company took over Moongipa Capital. There's been a 100x jump in the stock price from 2021. So I have full faith in the company and the group. So I hope you continue to do well going forward as well?

**Sorabh Dhawan:** Thank you so much, Manish. Thank you for these encouraging words. Thank you.

**Moderator:** Thank you. We'll take our next question from the line of Yash Vardhan Baid, who is an Investor. Please go ahead.

**Yash Vardhan Baid:** Yes. Could you provide some guidance, one on the cost-to-income ratios going forward for FY25 and FY26? And second part, if you could just elaborate, what is the historical average sanction per customer been and churn percentage?

**Management:** So cost-to-income ratio for us has been amongst the best in the industry. We would be in early double digits when it comes to cost-to-income. When it comes to churning days, our entire book rotates between 35 to 40 days.

**Yash Vardhan Baid:** Yes. And the customer renewal ratio sanction renewal?

**Management:** And the average ticket size, average sanction limit per customer is around INR3.5 crores to INR4 crores.

**Yash Vardhan Baid:** Sure. And what is the renewal ratio for customers every year if the sanction gets renewed?

**Management:** Every year, the limits are reviewed and renewed for the customer.

**Sorabh Dhawan:** So if you say how many dropout, there is a 5% to 10% churning. Yes, it happens 5% to 10% churning is there due to competition.

**Yash Vardhan Baid:** Sure. Thanks. This is helpful.

**Moderator:** Thank you. The next question is from the line of Arun Dey who is an Investor. Please go ahead.

**Arup Dey:** I missed the part about the write-off. Could you explain it again?

**Sorabh Dhawan:** Sorry, Arup, you will have to come back with your question again. Your voice wasn't clear.

**Arup Dey:** I missed the part about the write-off. Could you explain it again?

**Sorabh Dhawan:** Which part you missed, Arup? Couldn't understand write-offs.

**Arup Dey:** Write off.

**Sorabh Dhawan:** So, Arup, there was one account wherein we had provided for in quarter 2 and we have written off that amount. That was about INR 11,40,000.

**Arup Dey:** Okay. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

**Anubhav Gupta:** Thanks, Pooja and thanks to Kishan and Emkay for hosting us for this Earnings call. And thanks to all the participants. Look forward to see you again next quarter. Thanks so much.

**Moderator:** Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.