



Dated: 10.01.2025

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 January 3, 2025 related to the Investor Conference Call to discuss the Financial Results for the Quarter 3 of Financial Year 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 [www.emeraldfin.com](http://www.emeraldfin.com)

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.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

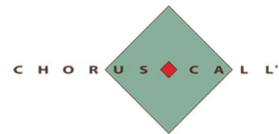
**(Amarjeet Kaur)**  
**Company Secretary cum Compliance Officer**  
**Membership No. :A17273**





“Emerald Finance Limited  
Q3 FY '25 Results Conference Call”

January 08, 2025



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

**MODERATOR:** **MS. SAMIKSHA RAMTEKE – KIRIN ADVISORS**

**Moderator:** Ladies and gentlemen, good day and welcome to Emerald Finance Limited Q3 FY25 Results Conference Call hosted by Kirin Advisors Private 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 the 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 Ms. Samiksha Ramteke from Kirin Advisors Private Limited. Thank you and over to you Ms. Ramteke.

**Samiksha Ramteke:** Thank you. On behalf of Kiran Advisors, I welcome you all to the conference call of Emerald Finance Limited. From the management team, we have Mr. Sanjay Aggarwal, Managing Director, Ms. Gurmeet Kaur, Chief Risk Advisor, and Mr. Talin Aggarwal, Chief Business Development. Now I hand over the call to Mr. Sanjay Aggarwal. Over to you, sir.

**Sanjay Aggarwal:** Good afternoon. I warmly welcome all of you to the Emerald Finance conference call for the third quarter of the fiscal year 2025. It's an honor to have your continued trust and support, which has enabled us to post decent results for the reported quarter.

With me is Ms. Gurmeet Kaur. She's the Chief Risk Advisor, and my son, Talin Aggarwal, he's the Chief Business Development Officer. Can you allow me to take you through our financial performance and key business developments?

On the financial front, during Q3 2025, our consolidated total income has surged by 67.7% on a Y-to-Y basis to INR5.74 crores. Our net profit has more than doubled to INR2.4 crores, with the margin improving to 43.19%. For the first nine months, our consolidated total income has risen by 16.11% on a year-to-year basis to INR15.15 crores. And our consolidated net profit has also more than doubled, growing by almost 108% on a Y-to-Y basis to INR6.25 crores.

During this quarter, on a stand-alone basis, our total income has increased by 91% on a year-to-year basis. And additionally, our net profit has increased, grown by 123%. On a stand-alone basis, we have also seen decent growth during the first nine months, with the total income increasing by 64.45% and net profit margin, profit growing by almost 80% to INR4.29 crores. We have taken a couple of initiatives to strengthen our financial foundation during this quarter. Firstly, we have raised 10 crores via preferential allotment. 10 lakh shares were issued, with a face value of Rs.10 at Rs.90 per year.

One of the major allottees was Minerva Ventures Funds, a Mauritius-based FI, and also to Mr. Rajesh Jain. He was pioneering in setting up KPMG in Africa and India, and he was one of the founding fathers of Grant Houses in India. On our main flagship programme, Earn with Excellence, we are on track for tying up with almost more than 50 companies during this year.

We have already tied up with 40 companies. In the last quarter, we tied up with one of the large shoe manufacturers of North India. They have got seven plants, and we have started operations in one of the plants, and we expect to start operations in the balance six plants shortly in the coming quarter.

Plus, we have tied up with a very large insurance broker based out of Surat. We also started operations recently with them. We also secured a credit rating from CRISIL. It's BB+ Stable for our INR30 crores bank loan facility. I'm glad to report that for the first nine months, we have zero NPAs during this period. Not even a single account has flown into the NPA bucket.

I take this opportunity to express my heartfelt gratitude to all of our employees for their dedication, and to our partners for their collaboration, and most importantly to our shareholders for their continued trust and support. Your confidence in us inspires us to strive for even greater achievements. With both my colleagues, I now look forward to your questions, and for in-fact discussion and suggestions from your side, please. Thank you all.

**Moderator:** Thank you. We will now begin the question and answer session. The first question comes from the line of DS Inder, an individual investor. Please go ahead.

**DS Inder:** Good afternoon, sir, and congratulations for posting very good numbers. I have a few questions, and my first question is regarding EWA programs. In last quarter, there was a guidance of 100 corporates, but this time has been revised to 60 by the end of FY25.

Sir, why is it so, and is the adoption of EWA in corporate is not being adopted or getting slower due to other competitors, and still there has not been any big corporates added in the list like Tata or Mahindra?

**Sanjay Aggarwal:** See, we are not facing any difficulty from our competition. Tell me frankly, there is hardly any competition. There are only three or four players doing this, but we are taking very prudent steps and we are just scrutinizing properly all the corporates we are tying up with. Your numbers are increasing. We have a target of INR2 crores per month by March, and in this particular month, by 7th only, we have achieved, I think, INR60 lakhs plus business.

I think we should achieve that INR2 crores target shortly. As far as the number of corporates is concerned, 40 we have already tied up, and in fact, we are trying as hard as possible to increase this number of corporates. But I think, realistically speaking, we should be able to touch 60 corporates by March.

**DS Inder:** Okay, sir, and are we optimistic or we have some plans to beat the target by the end of this financial year, about 100 or so?

**Sanjay Aggarwal:** See, we are targeting in the short, medium term, we are targeting 250 corporates. I think we should be able to achieve that by March 26. But this year, I think by March 25, we should be happy if we touch 60 corporate marks. But now, you know, the flow has started increasing and the volume per corporate has also increased. As I said, we have already done 70 lakhs by today, it's like 8.

We have already achieved 70 lakhs. In fact, most of the disbursement happens after 15, because normally the salaries come before 15, and after 15, the employees normally withdraw from us. But this month, we have already seen a spurt, and we have already done 70 lakhs plus disbursement. So, we are in line for what guidance we've given for INR2 crores disbursement

by March, monthly disbursement INR2 crores by March, we should be able to achieve earlier than that.

**DS Inder:** Okay, sir. And, sir, my second question is that we are targeting customers based around 5S and looking into some loan kind of products other than EWA and through, I think, invoice discounting, sir. So, is there any delinquency overview in there? Because it will be very different from EWA program, sir.

**Sanjay Aggarwal:** Which one? Which product you said?

**DS Inder:** Sir, I am asking about some loan kind of products, sir, which we have been told there is small ticket-sized loan.

**Sanjay Aggarwal:** Gurmeet would like to take that.

**DS Inder:** And, sir, loan kind of products, sir. And is there any delinquency, sir, overview in there? Because it will be very different, sir, from EWA.

**Sanjay Aggarwal:** Gurmeet would like to take that.

**Gurmeet Kaur:** Yes, please. I hear two questions. One is that we were talking about launching small ticket-sized personal loans for the eligible EWA customers. That we will be launching towards the end of the first quarter. That is not launched as yet. And like you very rightly said, as for the question number two, that the delinquency could be slightly different. And, yes, we understand the dynamics of EWA and small ticket-sized personal loans are different. So, the eligibility criteria and the underwriting criteria for small ticket-sized personal loans would be definitely more stringent than the EWA customers. And they will also be price appropriate.

Having said that, we have got our selections and the operations organization, which is stable. We have tie-up for selections for both online and off-ground activities. So, we are in the business of taking risks. So as per our plan and our policy, we would make sure that whatever policy, underwriting policies and verification strategies that we adopt don't lead us to a dispute.

**DS Inder:** Okay, ma'am. I'm having another two questions, but I will be in queue, sir. Thank you.

**Moderator:** Thank you. Next question comes from the line of Aayush Rathi with Aditya Birla Money. Please go ahead.

**Aayush Rathi:** Yes. So, thanks for taking my questions. Congratulations on a great set of numbers. So, I'm relatively new to the company. So please pardon me, sir, in case my question seems to be repetitive or basic. So, I'm interested on the EWA side. So, what kind of growth can we expect from the EWA business over the next three years?

**Sanjay Aggarwal:** Can you speak a little loudly? I can't hear you properly.

**Aayush Rathi:** Okay. So, my first question was on EWA business. What kind of growth can we expect from the EWA business over the next three years?

- Sanjay Aggarwal:** Okay. See, what we are looking at, what we are internally targeting is INR2 crores disbursement per month disbursement by March '25 and INR15 crores disbursement by March '26. I think this INR2 crores disbursement we should be able to reach a little earlier. We won't have to, I think, wait for the month of March. And next year's target is INR15 crores disbursement per month.
- Aayush Rathi:** Okay. On EWA only, so what kind of competitive advantage or more do we have in this business given that this is currently at a nascent stage. So how large is the opportunity size for the whole opportunity of the product EWA? And what kind of more do we have?
- Sanjay Aggarwal:** Talin, would you like to take that?
- Talin Aggarwal:** Hi. So, again, in India, this is a very nascent product. So, it's just getting started. So, as sir mentioned that there's hardly any competition in the market. But the challenge here that comes with this is that there's lack of awareness for the product in the market. So, as the time progresses, us and the competition together, you know, as we onboard more companies, the awareness of this spreads as well. So that helps us in onboarding and hence expands our attainable market. And so, we've seen a great adoption by this to whoever we pitch. We have a great conversion rate. And we just expect it to keep going as the time progresses.
- Aayush Rathi:** Okay. So, what stops the -- like if there's a huge opportunity size? So, what stops the other players to come in into the business? Do we have any kind of moat in this business?
- Talin Aggarwal:** So, the main moat that we would have that our competition doesn't have is that we ourselves are the lending partners and we are the technology and distribution partner as well. So, the entire piece from distribution to technology lending is us. Whereas, if you see our competition, all of them have partnered with lenders behind. So, technically, they are dependent on those lenders for funding. They themselves cannot fund the product since they're not NBFCs.
- And, again, the lending partners are then depending on these technology partners to provide the distribution and the technology. Since these NBFCs do not have the technological capabilities to power such a product. But in our case, it's us doing the entire thing. So, we've essentially found a sweet spot between lending, compliance, and technology distribution. So, I think that gives us a forceful advantage into this market.
- Sanjay Aggarwal:** And plus, Aayush, it's such a huge market. They're not even scratching the surface. There are only four players right now in the Indian market. If you look at the US, Indonesia, Philippines, this product is growing at a very fast pace over there. And India, I think, has a \$900 billion market. And we have not even scratched the surface right now. There's a huge, huge opportunity waiting out over there. And I've experienced this for the last six, seven months we're doing this. You know, it's a fantastic business. We are operating at zero delinquency.
- Aayush Rathi:** Got it, sir. So, just a connecting question on this one. So, what is the strategy to increase the penetration of this product since the product is very nascent right now? So, how do you strategize to penetrate in the market?
- Talin Aggarwal:** So, Aayush, we have a multi-pronged strategy here even today. So, one, we have our own sales team deployed on the ground. Second, we have multiple partners who bring us these corporates;

partners, people, again, who have contacts with high corporate networks. And third, we keep partnering with a couple of HRMS firms, HR firms who, again, in turn know HRs of these respective corporates. So, the idea is to just keep expanding this sales network. And we'll keep onboarding more corporates.

**Sanjay Aggarwal:** So, we recently held a function for a [data bus 0:15:29] industrial town near Chandigarh, where about almost 90 manufacturing units participated. We have planned to organize more of these kinds of functions, gatherings. We're planning something like similar stuff in Delhi also next quarter. We got a very good response from there as well.

**Aayush Rathi:** All right. Yes. So, like, I'll just squeeze in my last question. So, regarding the 8x to 10x PAT growth guidance, so what gives us the confidence in achieving this, particularly from an execution standpoint? So, could you, like, share some of your thoughts on this? Like, 8 to 10X growth, if I'm not wrong, you have mentioned one of the contours.

**Sanjay Aggarwal:** In the next year. See, for the last three quarters, we are almost going at the rate of 100%, on a year-on-year basis. And if you look at the 9% at 9 months performance, with 24 performance, it's almost 108% growth. I think we should be able to continue to grow.

**Aayush Rathi:** So, what has significantly changed in the company that we are able to give such a big guidance? That's my question, actually. On ground, what has changed?

**Talin Aggarwal:** Aayush if I might take that? So, I think the introduction of technology has really, you know, boosted our capability. So, if I mentioned earlier, a lot of our functions are manually driven. But now we are moving to a completely technological base, where technology handles the bulk of our tasks. And that is, you know, increasing the operational efficiency, as can be seen from net margins as well.

**Aayush Rathi:** All right, all right. So, that's all from my side. And congratulations and all the best. Thanks a lot for answering all my questions.

**Moderator:** Thank you. Next question comes from the line of Abhishek with AB Capital. Please go ahead.

**Abhishek:** Yes, just wanted to know at what rate will you be growing the EWA book, like in the next three years? Which number you can give percentage wise?

**Sanjay Aggarwal:** See, what we're internally targeting is about INR2 crores per month by March this year and INR15 crores plus minus 10% per month by March '26.

**Abhishek:** Okay, so how much percentage of your entire book will be this EWA product, like eventually you want it to become?

**Sanjay Aggarwal:** See, we will continue to grow our MSME as well as both of these. See, funding is not an issue with us. We have decent funding with us. And we can have sufficient bank clients from State Bank. So, money will not be an issue. And money should not be an issue with us.

**Abhishek:** My question was like, out of the entire book, how much percentage will EWA product be going forward?

**Gurmeet Kaur:** Sorry, Sanjay, if you could just let him know out of the total business volume that we will be doing.

**Sanjay Aggarwal:** See, we will continue to grow both the products. I cannot put percentage marks like that. You know, honestly, our major focus is on EWA because the margins over here are very good. And as well as the ticket size is very small and the risk factor involved is very low. So, major focus will be on EWA program. But we will continue to grow our MSME and small personal ticket size notes simultaneously. So, it will be difficult for me to put a percentage, targeting percentage on that as such.

**Gurmeet Kaur:** And can I just add one thing here in response? So, there are two things that we need to look at. One is, what is the amount that we are going to be disbursing month on month towards a particular product. And which Sanjay clearly mentioned that we are targeting going forward disbursing, taking it to about INR15 crores from next year. You also have to keep this in mind that the second concept is asset on book.

So, end of the period, what is the total loan under management? Your asset under management. Now, EWA as a product, has the USP where whatever that you will disburse in a particular month will be deducted from the salary in the following month. So, EWA is more defined by the amount of disbursement that we will do because we end up collecting 100% the next month itself.

So, it is more like a one-month loan. So, the asset under management on EWA practically is nil or is equal to only one month. Whereas when it comes to a loan, which is driven by equated monthly installments and has a term of anything between 6 months to 36 months, that will stay on your book. And it will run off once the loan duration is complete. Does it answer your question?

**Abhishek:** Yes. Thank you.

**Moderator:** Thank you. Next question comes from the line of Raj Saraf with Finvestors. Please go ahead.

**Raj Saraf:** Sir, congratulations on a good set of numbers. Initially, we had targeted like 100 or more than 100 corporates to be added to the Emerald EWA program. This is two quarterbacks, sir. So, right now we are targeting at 60. And by the opening statement or in some discussion on the question, sir, I just heard that we are targeting 250 corporates by the end of March or by '26. So, this is 190 corporates in next year. So, are we being very much optimistic, sir, or we have some very concrete plan about that, sir?

**Talin Aggarwal:** So, sir, if I may take that. So, it's right. So, we do have a plan for that. So, the last 8 to 9 months we spent, strengthening our sales team, our sales network. Now, we are confident, we can say that that entire thing is in place now.

And now we can actually push the accelerator and onboard close to 10 to 15 corporates a month at ease. And coming to the guidance you have given for this financial year of '25 of 60 corporates. So, we actually focused more on the quality of corporates than the quantity. So, as sir mentioned, we are targeting to touch INR2 crores by March.



So, that was our initial target with 100 corporates as well. So, we have seen that we have actually partnered with good level and good sort of corporates. And thereby, we are able to reach our monetary targets very well with even 60 corporates. So, that's why we've pushed it. And as I mentioned, our sales network is in place now. So, we can definitely push the accelerator for FY26.

**Raj Saraf:** Okay, sir. And sir, one thing also, sir, this video presentation that I'm going through, I see we are trying to venturing to some other businesses like invoice discounting. So, what could be the yield percentage, sir, in this and what could be the risk in this, sir?

**Sanjay Aggarwal:** Gurmeet, would you like to take that?

**Raj Saraf:** Sir, invoice discounting, sir, your presentation mentioned that we are looking into some businesses like MSME loans and invoice discounting. So, what is the yield in this, sir, and the risk factor in this?

**Sanjay Aggarwal:** The yield is about 18%.

**Gurmeet Kaur:** So, yield is about 18%. Rest we will be coming back to you because we are evaluating the data of the partner with whom we would like to do the pilot partnership. And once we evaluate that particular data, we will get to know what is the probability of what percentage of the portfolio, the payment by the merchant is getting delayed by how many days. And we will look at what percentage of that particular portfolio may be construed as a quasi-default. And accordingly, we will be setting what could be the default percentage.

And similarly, like Sanjay said that the average pricing could be 18% depending upon what is the risk associated. We may also do a small risk-based pricing fundamental. So, it may be a range which could be an 18% and can go also up to about 21%.

**Raj Saraf:** Okay, ma'am. And we have started a small token loan, I think Q3 onwards only. So, have you started this or if we have started already, then what is the contribution to this, to the revenue and profitability right now, ma'am?

**Gurmeet Kaur:** You are talking about the small ticket size personal loan?

**Raj Saraf:** Yes, ma'am.

**Gurmeet Kaur:** I think we answered that we have not yet launched it. We plan to launch it towards the end of Q4 now.

**Raj Saraf:** Okay, ma'am. And right now, what is the run rate for EWA, ma'am? Because the two quarter back in June, I think the run rate was INR1 crores per month. So, what is right now the run rate?

**Sanjay Aggarwal:** INR1.5 crores right now. Outstanding of now is INR1.5 crores.

**Raj Saraf:** Okay. And we are targeting to end this financial year by INR2 crores?

- Sanjay Aggarwal:** Yes, yes. I think we should be able to see that next month only. If all goes well, by Feb only we should be able to touch that goal. As I said, we have already turned INR70 lakhs till now in this month.
- Raj Saraf:** Just asking about the run rate only, sir. If you can give some details about that, that's okay, sir. Please complete your sentence.
- Sanjay Aggarwal:** See, INR70 lakhs we have already done in the first 8 days. Normally, you know, this is low period. But till 1st to 15th, withdrawals will be on the lower side. And withdrawals increase after 15th. But in this month, we have already seen substantial withdrawals in the first 8 days only.
- Raj Saraf:** Okay, sir. And, sir, are we standing by your guidance, that is, for 3 years, in next 3 years, PAT at 8x to 10x?
- Sanjay Aggarwal:** I think so. I think so. See, if you look at our past history for the last 9 months, we have given 100% growth year-on-year basis in every quarter. We should be able to achieve that.
- Moderator:** Thank you. Next question comes from the line of Gaurav with CODE Advisors.
- Gaurav:** My first question is, what is the breakup of, you know, the total income? How much of that comes from the EWA segment versus the non-EWA segment? And what is that projected for the end of this year?
- Sanjay Aggarwal:** See, as of for the first 9 months, our distribution income is right now almost 50%. And MSME loans is 48%. And EWA is 2%. But I think going forward, EWA will increase at a much higher rate. But for the first 9 months, 50% is from our distribution fee income from distribution business. 48% is the interest income from MSME business. And about 2% is from EWA.
- Gaurav:** Got it. The second question that I had is, so you mentioned that, you know, you're going to be touching about INR15 crores in revenue over the next year --INR15 crores per month. Monthly disbursement. Yes, the way, you know, the disbursement was that it's a percentage fee of the total loan. So, let's say about, you know, 1.5 or maybe 20% annually. I see. So, would it be fair to assume that that would be a INR3 crores revenue on an annual basis if you touch INR15 crores disbursements on a monthly basis?
- Sanjay Aggarwal:** Yes.
- Gaurav:** Got it. And then, so the 8x to 10x growth, is that considered only for the EWA segment or that's for the business as a whole?
- Sanjay Aggarwal:** No, no. We're currently in the business as a whole, not for one particular segment. So MSME bookend, the distribution income is also increasing, no? We have tied up with new partners also for distribution business also. We recently got tied up with Avanse. We have got the corporate DSA-ship for doing loans for schools.
- Moderator:** Thank you. Next question comes from the line of Priyam Shah with Trincherro Asset Management.

- Priyam Shah:** Sir as we scale up EWA, will we lean more towards bank funding or are we looking to dilute more at some point? And also, what will be the cost of our funds approximately?
- Sanjay Aggarwal:** See, we have got limits from State Bank at 10.95 and we will continue to explore all the funds. You know, what is the most optimal will do that.
- Priyam Shah:** All right. And sir the second question is that on our legacy business, especially the MSME funding, we have had zero NPAs for several quarters now. Why? It is going through a slightly rough cycle. So, can we just speak about our risk management practices for a minute? What is it that we do differently that has ensured zero NPAs and how scalable that is?
- Sanjay Aggarwal:** Gurmeet, would you like to take that?
- Gurmeet Kaur:** Yes, Sanjay, sure. So, at this particular time, you know, we try to pay critical attention to what are the channels through which we acquire this particular business or acquire the customers. So currently, we have kept those particular channels fairly limited, looking at what is the size of book that we would like to take this year.
- So, given that, our initial selection criteria, the eligibility criteria that we have kept for the MSME and the SME, coupled with our underwriting, detailed underwriting practices and a personal meeting with the customer as well, has ensured that, you know, our delinquency, there is no NPA.
- Now, when we talk about there is no NPA, which also talks about our robust selection practices and follow-up, more than 95% of our customers end up paying us on the day. Of the remaining 5%, we end up getting the payment with a maximum delay of about weekly 50. So currently, given the number, the target numbers that we plan to achieve for this year.
- And coupled with strong screening at the incoming site, coupled with good underwriting and then robust selection practices, we have ensured that the NPAs don't, you know, we don't get an NPA.
- Priyam Shah:** So, there is INR10 lakhs or is that, is it more or is it less for the MSME?
- Gurmeet Kaur:** Thank you. What is my average ticket size for this particular quarter?
- Priyam Shah:** INR35 lakhs.
- Gurmeet Kaur:** So, it is not actually an MSME. So, we are actually looking at more of an SME.
- Moderator:** Thank you. Next question comes from the line of Rahil Shah with Crown Capital.
- Rahil Shah:** So, first question is, I've been -- last call, which is a webinar. You had mentioned that out of 34 corporates, 25 are active and 9 should be now by Jan. So, what's the status now? Are they all active?
- Sanjay Aggarwal:** See, as of 31st December we have tied up with 40 corporates and 31 are active.

**Rahil Shah:** Okay.

**Sanjay Aggarwal:** And balance 9 should start. And we are targeting 20 more corporates by March end. I think we should be able to achieve that target.

**Rahil Shah:** What's the situation with those 9 which are inactive?

**Sanjay Aggarwal:** They are at different levels of integration now.

**Rahil Shah:** Okay. So, can we expect them to be active by the year end as well?

**Sanjay Aggarwal:** Yes. I think they should start by this month only balance 9 or no.

**Talin Aggarwal:** Yes, of course. So, they're just completing their onboarding formalities and they should be live by the month of this - end of this month.

**Rahil Shah:** Right. Okay. And you'd also mentioned that major chunk of the income ahead will come from this EWA vertical and the split will change in its favor. So, what will be the percentage of total income going ahead if you can give up?

**Sanjay Aggarwal:** Percentage of total income.

**Rahil Shah:** Total income like how much will it be from the EWA vertical?

**Sanjay Aggarwal:** See, our target, as I mentioned earlier is to achieve INR2 crores per month by March and by next year INR15 crores per month by March 26. So plus, there's a lot of cross-selling huge income which will come from sourcing this business. We're already seeing the benefits of the cross-selling.

**Rahil Shah:** No that I understand. You mentioned it is 2% of the total income right now, right?

**Sanjay Aggarwal:** 2% of INR15 crores per month.

**Rahil Shah:** Of just INR15 crores?

**Sanjay Aggarwal:** Yes. So average revenue is anywhere between 1.5% to 2% from disbursement of EWA loan.

**Rahil Shah:** Okay. And lastly again, in the last webinar call you had mentioned the MSME loan book at that time was INR55 crores. What is it as of today and what kind of growth rate one should expect going ahead?

**Sanjay Aggarwal:** Today, I think it's about INR63 crores.

**Rahil Shah:** 63.

**Sanjay Aggarwal:** Yes, 63.

**Rahil Shah:** And any outlook or guidance on that going ahead?

- Sanjay Aggarwal:** That is going on organically. We are not taking an undue risk. Given the market scenario, we're not taking an undue risk. Prudently, we are scrutinizing all the cases. It's very easy to earn money. If I want to make 63 into 100, it's not difficult. It will be done in 2 months. We don't want to take that route.
- Rahil Shah:** Okay, so you're going steadily on that, not too aggressive?
- Sanjay Aggarwal:** It's very easy to earn money. If I want to make 63 into 100, it will be done in 3 months, but we don't want to take an undue risk.
- Rahil Shah:** Fair enough, sir. Thank you and all the best.
- Moderator:** Thank you. Next question comes to the line of Chirag Pachisia with SKP Securities. Please go ahead.
- Chirag Pachisia:** First of all, congratulations, sir, for the fantastic set of numbers. My question is since it's mentioned in the PPT that EWA margins are 18% to 30% it's not the interest, but service fee, right?
- Sanjay Aggarwal:** Yes.
- Chirag Pachisia:** So, what can they like...
- Sanjay Aggarwal:** Come again.
- Chirag Pachisia:** How much margin can be expected to be once they're steady? Can it become 25%?
- Sanjay Aggarwal:** Gurmeet, would you like to take that?
- Gurmeet Kaur:** Sorry, can you please repeat your question?
- Chirag Pachisia:** My question is I know it's hard to pinpoint, but since it's mentioned, EWA margins are 18% to 30%. So, on a steady basis, say in 1 year or 2 years or so, can it become like how much can we expect those margins to be?
- Sanjay Aggarwal:** So, we will try to normalize it at roughly 24% PA.
- Chirag Pachisia:** Okay, 24%?
- Sanjay Aggarwal:** Yes.
- Chirag Pachisia:** Okay, thank you so much.
- Moderator:** Thank you. The next question comes from the line of Sunil Patel, an Individual Investor. Please go ahead.
- Sunil Patel:** Congratulations for the strong quarter, sir. I just want to know the interest spread rate for MSME loans and I have some doubt about EWA. Is there any correlation between the growth of EWA and economy slowdown?

- Sanjay Aggarwal:** Come again your margin lending on an average rate of MSME is about 18%.
- Sunil Patel:** No, I just want to know spread. Interest rate spread for MSME loans?
- Sanjay Aggarwal:** 7%. We get bank funding at 10.95.
- Sunil Patel:** Okay. And is there any correlation between EWA growth and economy slowdown?
- Sanjay Aggarwal:** I don't think there should be any correlation.
- Gurmeet Kaur:** We are asking for the correlation between what?
- Sanjay Aggarwal:** Economic slowdown and EWA expansion growth.
- Gurmeet Kaur:** I doubt it, because at this particular point of time, when you talk about an economic slowdown, it will - it depends upon what kind of sectors are you targeting. So, if you look at the kind of sectors that we would like to kind of partner with are the companies who have got employees which are more than a certain number. They have been existing in business for a certain number of years. They are contributing to the Provident Fund.
- They have been year-on-year having stable and successful their profit-making organization. So, it again depends upon what is going to be our target employer. So, we don't see that particular slowdown impacting based on the business strategy or the acquisition strategy that we have set.
- Sunil Patel:** Thank you. That is, it from my side.
- Sanjay Aggarwal:** This is a huge market, huge potential. We are not going to scratch the surface. India, nobody is going to scratch the surface, many billion-dollar market.
- Moderator:** Mr. Patel, are you done with your question?
- Sunil Patel:** Yes.
- Moderator:** Thank you. Next question comes from the line of [Niraj Kunjkar from Sarthi 39:19]. Please go ahead.
- Niraj Kunjkar:** Hello. Very enthused by your performance in Q3. I have some basic questions if you could help me understand this EWA product and my questions are addressed to the CFO, please.
- Sanjay Aggarwal:** Yes, Gurmeet would you like to take that? Can you repeat the questions, please?
- Niraj Kunjkar:** Yes. So, we did roughly INR5.7 crores worth of business in the Q3. And out of this, how much is our realization from EWA? That is my first question?
- Sanjay Aggarwal:** See, of the total revenue for the first 9 months, 48% is from MSME book, 50% is what from fee income from a distribution business and 2% is from EWA for the first 9 months.
- Niraj Kunjkar:** Perfect. So, is it been increasing from Q1 to Q2 to Q3 and hence what have we achieved in Quarter 3 as a percentage as you just told me?

- Sanjay Aggarwal:** EWA business is increasing now. EWA business is increasing on a quarter-on-quarter basis. And what we expect going forward also the percentage of EWA.
- Niraj Kunjkar:** Could you give me a sense of the increase because that is where my question is, that is what my question is addressed to. Could you give me a sense as to how we are increasing our EWA product from Q1, Q2, Q3? Just a sense. I'm not looking at hard numbers, just a sense, please?
- Sanjay Aggarwal:** So, we are increasing the number of corporates and plus one we are adding number of corporates. Number two, we also increasing the penetration in the particular corporate. We have set up a three-member tele calling team also where directly calling the employees.
- Niraj Kunjkar:** How many people on tele calling, please?
- Sanjay Aggarwal:** Three people. As of date, three people, but we'll be increasing going forward, increasing the team also.
- Niraj Kunjkar:** Okay. So, I'm still wanting in my understanding over there, but I will pass this and I just hope someone I can connect with someone and clarify my mind on this. My second question is you said that in the current month with just eight days you have done 70 lakhs of EWA disbursement. That is what you said, sir?
- Sanjay Aggarwal:** Correct.
- Niraj Kunjkar:** And you aim that we will hit a monthly run rate of INR2 crores by what do you call March of 25. We want to be consistently disbursing INR2 crores every month by March of 25. That is what you eluded?
- Sanjay Aggarwal:** No, our target is INR2 crores by March 25 but we will keep increasing that because next year target is INR15 crores.
- Niraj Kunjkar:** Now the question is, sir Now the question is how do I understand this as an investor? So, let me put it this way. Can I assume that INR2 crores is equal to 100 odd disbursements of an average loan of around 20K? Can I assume that?
- Sanjay Aggarwal:** Yes. I will tell you every ticket is about INR18,000, INR20,000, no? INR20,000, right? Yes.
- Niraj Kunjkar:** So, I'm looking at a ballpark understanding. So that's what I'm trying to develop. Please help me out over there. So, when we look at INR2 crores I can break it down on an average to 20 100 disbursements of 20,000 each to subscribe.
- Talin Aggarwal:** Sorry, 1,000 transactions not 100.
- Niraj Kunjkar:** Okay, 1,000 transactions. Yes. Thanks for correcting me over there. And on a 20K we get around 1.5 to 2.5 so roughly let me estimate that to be around INR500 bucks as transaction fees that you charge and that into number of disbursements gives me a 5-lakh run rate from EWA on a monthly basis. Is my understanding correct, sir?
- Sanjay Aggarwal:** Yes. 1.5% to 2%. Yes.

- Niraj Kunjkar:** Thank you very much, sir. So, this is one of the issues that I wanted to get cleared. I'm very thankful for your response. Regarding the first part when I asked you the growth rate from Q1 to Q2 to Q3 how do we take this forward? Because I'm not getting a sense. So, I get this thing that you are pushing the number of corporates and you have reached 40 corporates and you are wanting to get 60 corporates by the end of this financial year and a particular amount you just mentioned some time ago by the end of the next financial year.
- That is very good, sir. And you are putting up a sales team, telephone team, telephone caller team, everything is going hunky-dory. But how effective have we been in the first Q3 is the sense which I wanted to get.
- Sanjay Aggarwal:** How effective have we been – come again?
- Niraj Kunjkar:** In the growth?
- Gurmeet Kaur:** So, what is the Q1 disbursal, so Talin, if you can just tell him what is the Q1 disbursal, Q2 disbursal and now the Q3 disbursal, right...
- Talin Aggarwal:** That is the growth trajectory. Perhaps we can connect later because we have to run all these numbers from the system once. So, we can see the entire disbursal, but I'll have to break it quarter wise and present it at a later date, if that would be fine.
- But on a month-on-month growth, we are seeing close to 12% to 13% growth on a monthly basis in amount of disbursements. And that's been the trend, you know, ever since we did the launch in April last year.
- Niraj Kunjkar:** That's a wonderful response. Can I make a small suggestion, please? This is a parameter which people like me who have tremendous interest in the company would want to monitor. So, can it come up in some form in the presentations?
- Sanjay Aggarwal:** Yes, yes, definitely. Why not?
- Niraj Kunjkar:** Because if this comes, a lot of questions from people like me, they get answered in the presentation.
- Sanjay Aggarwal:** You want month-on-month growth? You want to see month-on-month growth in the product?
- Niraj Kunjkar:** So, month-on-month, how EW is growing in terms of disbursements and print transactions would be a great help as part of the presentation, sir.
- Sanjay Aggarwal:** Yes, yes, sure.
- Niraj Kunjkar:** I thank the management for their response. I thank the management for their response. My best wishes to you, please.
- Sanjay Aggarwal:** Thank you. Thank you so much. Let me just put it on one month-on-month, you know, increase in business data. Sure, I'll get the team on it.



- Moderator:** Thank you. Next question comes to the line of Aditya Sangani, an individual investor. Please go ahead.
- Aditya Sangani:** So good afternoon and congratulations on the great set of numbers. My question is about this new personal loan product, like it opens significant upselling opportunities, right? So, is there any guidance in terms of revenue or PAT for this personal loan product in mind?
- Talin Aggarwal:** We haven't actually launched it. So, as ma'am mentioned earlier, we haven't launched it yet. So, I think we're just running a few metrics based on risk and return. And you know, once everything's in place, then we'll be looking to launch it maybe by the end of this quarter or perhaps the next quarter. I think then we'll be in a better position to, you know, answer your question.
- Aditya Sangani:** And secondly, I wanted to ask on that gift card announcement that was like we have a gift card for Amazon and other things. So, are the margins similar in that or is there some difference?
- Talin Aggarwal:** Margins are more or less similar, more or less similar. So, in Neiva we make one and a half, two percent, there we make two and a half, three percent roughly.
- Aditya Sangani:** Okay. And is it a significant contributor to the, in terms of sales, that gift card thing?
- Talin Aggarwal:** We're seeing some engagement there. We haven't been pushing it aggressively, but we'll begin to, you know, in some time. We've just been focusing on business expansion with the number of corporate increasing.
- Aditya Sangani:** Okay. Yes. Thank you for the opportunity and all the best.
- Moderator:** Thank you. Next question comes from the line of Shaikh Mujib Ahmed, an Individual Investor. Sir, please go ahead. Mr. Ahmed, please go ahead with your question.
- Shaikh Mujib Ahmed:** Yes, I would like to congratulate, first of all, for very good numbers. And my question is, you told that from next year onwards, every month, you are going to make around INR15 crores disbursement in this early wage system, correct?
- Sanjay Aggarwal:** So, not immediately from next. So, what we're targeting is March '26. By March, end of the year, you know, we plan to reach the target of INR15 crores disbursement per month.
- Shaikh Mujib Ahmed:** By end of the March '26. Gradually, it will be increasing?
- Sanjay Aggarwal:** Gradually. It's like, you know, from INR2 crores to INR15 crores, it will not jump in one month. Gradually, we plan to reach INR15 crores and it will be huge, you know. INR15 crores multiplied by INR12 crores, from next year, it will amount to INR180 crores of disbursement.
- Shaikh Mujib Ahmed:** And what kind of PAT we are expecting with these INR15 crores per month disbursement?
- Sanjay Aggarwal:** See, our gross PAT is, for INR15 crores disbursement is 1.5%, anywhere between 1.5% to 2%, plus the revenue from cross-selling opportunities.

- Shaikh Mujib Ahmed:** Okay. Okay. Sir, one more thing. In your business, when you are calculating as revenue, that whatever the disbursement, in the revenue part, in the profit and loss statement, the revenue part here means you are calculating, that means the disbursement, whatever we are doing, does it go as a revenue there?
- Sanjay Aggarwal:** No, no, no. The income we earn, processing fees what we charge from the client, that comes into the revenue, not the disbursement amount.
- Shaikh Mujib Ahmed:** Okay. Okay, sir. Thank you very much.
- Moderator:** Thank you. Next question comes from the line of Jagdish Sharma, an Individual Investor. Please go ahead.
- Jagdish Sharma:** Hi, sir. Thanks for giving me this opportunity and congratulations for a wonderful setup number. I have two questions. Both are related. The first one is, what is the time of this early access program? If my understanding is right, it is \$1 billion, right?
- Sanjay Aggarwal:** Come again. I can't hear you properly, please. Can you repeat the question?
- Jagdish Sharma:** What is the total addressable market for this early access program, daily verge access program? It is \$1 billion, right?
- Sanjay Aggarwal:** No. Much more than that.
- Jagdish Sharma:** Tell me -- what is the exact number we have done?
- Sanjay Aggarwal:** It's much more than \$1 billion. I mean, the salary market of India is close to about INR90 lakh crores per annum in INR. So, again, the total risk would be that much, again. But again, so we are not -- that is the total salary market of India. And again, our target, so that is the total addressable market.
- But the addressable market, we are targeting in the next 3 years, would be to touch close to about INR40 crores to INR50 crores in a monthly disbursement, which would roughly be close to almost INR600 crores per annum then.
- Jagdish Sharma:** Correct. So, my second question was...
- Sanjay Aggarwal:** It's not the next year that is coming next 2 years to 3 years?
- Jagdish Sharma:** 2 years to 3 years, yes, understood. My second question was...
- Sanjay Aggarwal:** It's a huge market, please appreciate, it is a huge market. And, what we have seen in the last 9 months, it is almost risk-free. Nobody would like to default on his, no employer would like to default on his employee's salary.
- Jagdish Sharma:** Correct. So, my second question was, if this product has zero NPA as a business model, why are we venturing into another businesses where we can incur some NPA? That is my second question.

- Sanjay Aggarwal:** Gurmeet, would you like to take that?
- Gurmeet Kaur:** Yes. We are, we are in the lending business and if you have to, and we are also in the risk-taking business. So, if you do not take risk, you do not get greater return. How do you keep the employee engaged, if you are not able to offer them more products that they can use at different milestones in their life?
- So, while the earned wage actors can give them an access to their own salary early to tide over an immediate emergency or a requirement, what happens if this particular guy needs, let us say, INR100,000 for his house renovation or to pay for his children's original fees?
- So, then you are saying that the same customer is now going to go out and he will seek this particular amount from another bank where there is going to be the underwriting criteria, the rate of interest, and I may end up losing that opportunity to earn from this customer who has already been tested by me.
- Jagdish Sharma:** Okay. So, my question is, like the second part of this question, same question, if you are giving this cross-sell or if you are cross-selling the other products to the same early wage programs and all these things, will the employee incur the interest or the employee will incur the interest? That is my part to be of the same question.
- Gurmeet Kaur:** So, as an EWA product, so EWA product is a nil-interest product but we charge a disbursement fee from the employee. This is a loan or a facility which is being taken by the employee and so will be the personal loan. The regimen of that particular monthly installment would be done by the employer by deducting it from the employee's salary. So, we are talking about a repayment mode which safeguards us from a higher operational risk.
- Jagdish Sharma:** Correct. So, my question is you are cross-selling two of the new products, right? I am asking who will repay the amount, whether it is the employee or employer. So, this cross-selling, personal loans and everything which you are about to do it?
- Gurmeet Kaur:** It will be borne by the employee, right? The loan is being taken by the employee. So, the reason is -- It will be similar for to our early wage access where the employer would be, employee will consent for the employer to deduct the monthly installment from his salary and give it to Emerald.
- Jagdish Sharma:** Okay, fine. What is the interest rate for the early wage access program now, which we are charging?
- Gurmeet Kaur:** Talin, what is the interest rate range that we are charging for EVA?
- Talin Aggarwal:** We never charge an interest rate. We only charge a processing fee ranging 1.5% to 2%.
- Jagdish Sharma:** Okay. Fine. And all the very best for the coming quarters and year.
- Talin Aggarwal:** Thank you very much.

- Moderator:** Thank you. Next question comes from the line of Vinay Bhatt, an Individual Investor. Please go ahead.
- Vinay Bhatt:** Sir, just wanted to ask you, fee-based income has increased a lot this time. So, it is because of the gold loan or what was that which gave that much fee-based income growth?
- Management:** Sir, distribution business is also growing now. We have partnered with the Avanse. And we are partnering with one more bank. Equal bank for more loans. And I was thinking, free income is also a partnership from the...
- Vinay Bhatt:** Mainly because of the gold loans, right, sir?
- Management:** The gold loans, we are doing housing loans, home loans, unsecured loans also. It is a mix of all.
- Vinay Bhatt:** At a mix of all?
- Management:** Yes.
- Vinay Bhatt:** And sir, do you expect this kind of growth in this business also? Because what was my understanding is that people, retail people are in stress. So, they have started picking more gold loans. That was my understanding. I could be wrong also. So, what kind of growth do you expect in this business?
- Management:** Not necessarily that. Overall, businesses is growing as such.
- Vinay Bhatt:** So, you are expecting similar growth in this area also?
- Management:** Yes. I think this two new partnerships should again add to the top line as well as the bottom line. We should certify, I think from Feb onwards, we should start certifying both these new partnerships.
- Vinay Bhatt:** Okay. So, that will also add on?
- Management:** Yes, add on. Yes. Because for Avanse, we have got corporate DSAs. In India I think there were just only three or four corporate DSAs.
- Vinay Bhatt:** Okay. So, we have a scope to grow.
- Management:** Yes, we should be. Yes.
- Vinay Bhatt:** Okay. So, the second thing I want to ask to Talin. Sir, how is the level of automation in our product, in EWA? It is very good product-wise. How much is the integration and everything?
- Talin Aggarwal:** So, the entire EWA itself is automated, through and through. The entire onboarding journey to disbursement or to repayment reconciliation, the entire thing is automated.
- Vinay Bhatt:** And you have integrated it with the majority of the software?

- Talin Aggarwal:** Yes. So, whatever is required for KYC, for verification, all of these are API-driven. In fact, the disbursement is completely API-driven. So, if anyone even makes a withdrawal request at 2 am. outside the banking hours, the request will be processed immediately.
- Vinay Bhatt:** And integration process, how much time does it take? Like, how much time it takes to integrate a new client?
- Talin Aggarwal:** It depends from vendor to vendor. But on average, it takes about a week.
- Vinay Bhatt:** Okay. Everything about the week. And that part is manual. But once that is done, so then everything is automated through the API, I think.
- Talin Aggarwal:** Yes, absolutely.
- Vinay Bhatt:** Okay. Super. I think this thing is going great. And just one more question, this coupon thing. So, what kind of growth you are expecting because of this? And I think you say that you are not focusing much right now. But can you throw some light on that area?
- Talin Aggarwal:** Also, we actually expect that by the end of next financial year, the coupon should be close to 15% to 20% of our overall disbursement in EVA.
- Vinay Bhatt:** Can it be more?
- Talin Aggarwal:** Yes, it can be more, but this is what we are expecting. Given our target audience and their use case of EVA, we are expecting about 15% to 20% share should be gift cards and vouchers.
- Vinay Bhatt:** That is super. Thank you so much. I am done. Thank you.
- Talin Aggarwal:** Thank you, sir.
- Moderator:** Thank you. Next question comes from the line of DS Inder, an Individual Investor. Please go ahead.
- DS Inder:** Thank you, sir, for giving me opportunity once again. And my all questions have been answered, sir. And once again, congratulations for good numbers and best wishes. Thank you very much.
- Management:** Thank you very much.
- Moderator:** Thank you. Due to time constraints, we have reached the end of question and answer session. I would now like to hand the conference over to Samiksha Ramteke for closing comments.
- Samiksha Ramteke:** 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](mailto:research@kirinadvisors.com). Once again, thank you for joining.
- Sanjay Aggarwal:** Thank you very much, everyone.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.