



Dated: 05.06.2024

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 25, 2024 related to the Investor Conference Call to discuss the Financial Results for the Quarter and Year ended March 31, 2024 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.

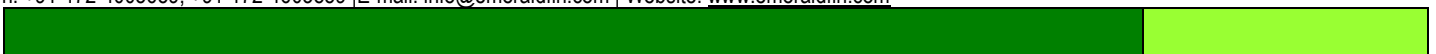
The said Transcript is also available on the website of the Company at <https://emeraldfin.com/wp-content/uploads/2024/06/Emerald-Finance-Q4-FY24-Earnings-Call-Transcript.pdf>

It is further confirmed that no unpublished price sensitive information was shared/discussed in the meeting / call.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

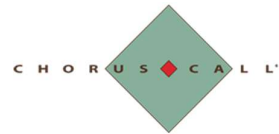
**(Amarjeet Kaur)**  
**Company Secretary cum Compliance Officer**  
**Membership No. :A17273**





“Emerald Finance Limited  
Q4 FY '24 Earnings Conference Call”

May 31, 2024



**MANAGEMENT: MR. SANJAY AGGARWAL – MANAGING DIRECTOR -  
EMERALD FINANCE LIMITED  
MR. TALEEN AGARWAL – HEAD OF BUSINESS  
DEVELOPMENT - EMERALD FINANCE LIMITED**

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

**Moderator:** Ladies and gentlemen, good day and welcome to the Emerald Finance Limited Q4 FY24 Earnings 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 no 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. Chandni Chande from Kirin Advisors Private Limited. Thank you and over to you, ma'am.

**Chandni Chande:** Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Emerald Finance Limited. From Management Team, we have Mr. Sanjay Aggarwal as Managing Director, Mr. Taleen Agarwal, Head of Business Development. Now I hand over the call to Mr. Sanjay Aggarwal. Over to you, sir.

**Sanjay Aggarwal:** Hi. Good afternoon, everyone. Thank you for joining us today for Emerald Finance Earnings Q4 and the fiscal year 2024. We are delighted to share our strong financial performance and the strategic progress we have made over the past one year. We started our company as a DSA. We started working with an American company by the name of AFCO Financial Services.

AFCO was the first U.S. multinational to enter into India into retail finance, and we started operations with them as a direct selling agent. We started earlier with doing professional loans, loans against property, card loans, etcetera. Then slowly and steadily, we started working with other banks and financial institutions.

Currently, we are working for about 40 banks and various financial institutions as a direct selling agent. And for like HDFC, we are among the top five DSAs for gold loans. Currently, we are doing almost 300 crore of sourcing for gold loans for HDFC Bank.

And as a natural progression, in 2015, we got an NBFC license from RBI, and the same year, we got listed on the Bombay Stock Exchange. So earlier, we started with funding to the clients from an existing database only, whom we were funding through our DSA business. Let's say if you got somebody for, you know, INR25 crores from HDFC or INR40 crores from Kolkata Mineral Bank, we started funding them for, you know, some small funds, INR40 lakhs, INR50 lakhs from our books also.

And that book is doing very well because we are in constant touch with those clients and over a period of about 10-15 years. In the year 2022, we tied up with an American company, Rainpay. Rainpay was one of the largest early wage excess program company in USA.

They took some stake also in our company in the same year. And in that same year, the Singapore Fund, by the name of NAB Capital, they also took some slight stake in our company. In early wage excess, what happens, we give dashboard to the, we tie up with the corporate employer and we give on-demand advance to the employees of that particular company.

The payment comes from the employers. We normally give up to 40% of the salary as advance. So let's say somebody's salary is INR30,000, so we give up to INR12,000. We can withdraw any

time about INR12,000 during the month. And on the salary date, the employer pays us back that INR12,000. So the risk is on the employer, not on the employee. Unfortunately, in December 22, Rainpay got massive funding in USA. And the new investor put up a condition that Rainpay should withdraw from all the countries they were operating.

See, they were operating in India through us. They were, I think, operating in Poland, France, and Brazil. They withdrew from those countries also. But before going, we took some technology from them and we hired two, three consultants in Mumbai, and we developed our own EVAP platform. In the meantime, my younger son, Palin, he also joined me, and he took a team of five techies and three consultants, and we developed our own technology platform. So currently, we are doing three lines of businesses.

One is the DSA business. Second is business loans. We give it to our existing client base only. And third, major focus is now on the EVAP. Because here, the returns are quite good. We are almost ending at 2.5% to 3% per month. IRA is roughly around 36%. And in the past six months, we have been doing on the single trial basis, there's a 0% delinquency in that. Last year, RBI also conducted our inspection and we got clearance from the RBI also. They conducted audit of our digital platform also. We got through that. We got clearance in that also.

Last year, standalone, our PAT was INR3 crores, which was almost an increase of 44.84% as compared to FY23. And on a consolidated basis, our PAT was 4.14, which was an increase of about 20% from FY23. So, for the EVAP platform, we have currently 13 partnerships, which includes some universities, hospitals, and packaging industry.

And we're planning to grow to about 100-odd corporates this year. And last year, we also gave, what, 230,000 shares at ESOP store employees. So, we're looking forward to so many questions from you, gentlemen. Please.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

**Shikhar Mundra:** What is the total loan book as of now?

**Sanjay Aggarwal:** March 23 was INR45 crores, March 24.

**Shikhar Mundra:** INR45 crores. And what was it a year back, March 23?

**Sanjay Aggarwal:** INR33 crores. 33 crores.

**Shikhar Mundra:** And what is the breakup of this INR45 crores?

**Sanjay Aggarwal:** In terms of business loans?

**Shikhar Mundra:** Yes.

**Sanjay Aggarwal:** I think 44, 44 was this thing. Business loan at INR38 lakhs was the EVA product. We are just in the pilot season. Now EVA is increasing.

**Shikhar Mundra:** Okay. And what is our average rate of lending for this INR44 crores?

**Sanjay Aggarwal:** That is on 17%. 17% to 18%, you can say.

**Shikhar Mundra:** 17 to 18%. Okay.

**Sanjay Aggarwal:** And for EVA is 36%.

**Shikhar Mundra:** 36%. Okay. Yes. And for this INR44 crores, what is the average tenure of the loan?

**Sanjay Aggarwal:** Two years. And for EVA is one year. Sorry, one month.

**Shikhar Mundra:** And what are the NPA, gross NPAs, net NPAs for 44 crores?

**Sanjay Aggarwal:** Last year was INR26 lakhs, bad debts.

**Shikhar Mundra:** INR26 lakhs. Okay.

**Sanjay Aggarwal:** Yeah. See, that was also because, you know, these were not our business loan book default. It was a, we were, Rainpay was acting as an LSP in that year. So it was default basically because of NPA clients, not for our clients.

**Shikhar Mundra:** Okay. And what is the average ticket size of the loan?

**Sanjay Aggarwal:** For the business loans?

**Shikhar Mundra:** Yes.

**Sanjay Aggarwal:** INR45 lakhs.

**Shikhar Mundra:** And for EVA?

**Sanjay Aggarwal:** INR50,000 to INR20,000.

**Shikhar Mundra:** And what is our target? Like, how much do we plan to achieve for FY '25? Like, where will the loan book be and where will EVA be?

**Sanjay Aggarwal:** I can't give you exact numbers. But looking at our robust growth, in the three years, we have been at 10x growth. 8X to 10x growth from here. 8x to 10x growth and growth. See, last year we were sanctioned limit by State Bank of India. And they have sanctioned a INR15 crore limit. Out of that, we have just placed only INR6 crores. But they promise once we exhaust that INR15 crores, they will give us further enhancements.

**Shikhar Mundra:** Okay. Okay. So right now our net worth is INR46 crores. But we have only borrowed...

**Sanjay Aggarwal:** No, Net worth is INR37 crores.

**Shikhar Mundra:** Okay. I thought equity capital INR30 crores plus reserves of INR16 crores. So...

- Sanjay Aggarwal:** This I am talking about consolidated basis. Standalone basis I am talking about standalone basis is INR37 crores.
- Shikhar Mundra:** Okay. And what is our plan to take our debt-to-equity ratio maximum we will be taking it?
- Sanjay Aggarwal:** See, 2 is to 1. See now with State Bank coming debt should not be an issue and the State Bank it is at 10.95. And once we apply that say we have one year -- complete one year repayment. So they will reduce it further by another 50 basis points.
- Shikhar Mundra:** And what kind of operating leverage we can expect in the next 3 years like I mean your employee cost will increase by how much or the other cost will increase by how much as we scale up?
- Sanjay Aggarwal:** See why employee cost will not rise much because it is all digitized. It is an end-to-end digital process. So there will be no major increase in the employee cost as such.
- Shikhar Mundra:** And what is our geographical concentration for the INR44 crore loan book we are present in which area?
- Sanjay Aggarwal:** That is North India majorly it is not India, but even we are operating pan-India and the distribution business we are operating pan-India. We are operating in 85 cities.
- Shikhar Mundra:** Okay. Thank you. I will turn the queue back for further questions.
- Moderator:** Thank you. The next question is from the line of Yashwanti from Kojin Finveest. Please go ahead.
- Yashwanti:** Thank you sir for the opportunity. A few things on the understanding of the business. You said we charge around 36%.
- Sanjay Aggarwal:** Your voice is cracking, ma'am.
- Yashwanti:** You said that you charge around 36% on a loan given on the EVA.
- Sanjay Aggarwal:** Come again I cannot hear you properly, ma'am. Come again, please.
- Yashwanti:** So, you said that for EVA you charge the interest of around 36%. So, this is paid at the end of the month when any employee returns the loan taken?
- Sanjay Aggarwal:** No it is deducted upfront. See we charge about 2%, or 2.5% processing fees is deducted upfront. Let us say somebody takes about, let us say, INR10,000. We deduct 200 rupees upfront. Just to stick on the argument then INR9,800 goes in the account and the employer pays us back 10,000 complete money.
- Yashwanti:** Okay. So the employer will pay you 10,000 and the 30,000 will go to whatever is the balance amount will go to the employees?
- Sanjay Aggarwal:** Yes to the employee.

- Yashwanti:** Okay and, sir what is your funding arrangement? How many banks do we have the funding arrangement and what is the average rate of interest for taking this loan from the bank?
- Sanjay Aggarwal:** See currently we have only the State Bank and with 7 NBFC, 8 NBFC, State Bank is 10.95.
- Yashwanti:** Sir if you have already mentioned this pardon me, but I just wanted to understand your revenue contribution from all the three verticals which you own it?
- Sanjay Aggarwal:** See as of date on a consolidated basis, almost 50% is coming from fee activities from distribution business. And the balance is the interest income.
- Yashwanti:** I'm talking about the vertical device, your NBFC, your EVA and the vertical which you mentioned?
- Sanjay Aggarwal:** Yes EVA is currently very less. It is just started about 6 months back and that was on a pilot project. We have to get our system audited as required by the RBI. Now we are going for full it. I think going forward EVA contribution will increase much more. Because the returns are the highest over there and the delinquency is almost zero over there.
- Yashwanti:** Okay. So in the concluded year you reported EBITDA margin of around 30%. So do you think it will be maintained or there is an upward bias for that with the EVA component coming?
- Sanjay Aggarwal:** Yes definitely EBITDA margin will go up.
- Yashwanti:** Okay. What is your likely range going forward for the next 2 years?
- Sanjay Aggarwal:** I can't speak on like those numbers here. As far as the book size is concerned we are expecting 8 to 10x growth in the next 3 years and we should have a very healthy increase in the PAT and the EPS in the next 3 years. Last year was 1.37. You should have very healthy growth in the next 3 years.
- Yashwanti:** Okay. Sir in the meanwhile you also spoke about your entry or your exposure to the vehicle loan and the home loan?
- Sanjay Aggarwal:** No, that is for the distribution business not on our company books. See I told you like we are doing almost INR300 crores of gold loans for HDFC Bank. That is on the distribution part. We just get a commission on that.
- Yashwanti:** Okay. And sir what is in the NPA for FY24?
- Sanjay Aggarwal:** FY24 26 lakhs.
- Yashwanti:** And in percentage terms?
- Sanjay Aggarwal:** Let's say nominal. I think INR45 crores and [inaudible 15:50] would be less than half a percent. See and that too was because not on our business loan book. Our business loan book was just 1.35 lakhs and the balance was we were doing the NPA was acting on a loan service provider. It was majorly to their clients. About 24 and a half lakhs was basically their clients now. They

have exited India. So we are doing on our own. On our own your product for the last 6 months is a zero delinquency.

- Yashwanti:** And sir how many branches we are currently operating and where are they?
- Sanjay Aggarwal:** So we are operating only from the head office. We are branching Chandigarh only plus we have got 300 sub-regions Pan India who are doing distribution business for us.
- Yashwanti:** We know you are also talking about having your presence in Delhi. So what are your plans on that?
- Sanjay Aggarwal:** We are planning to open an office in Delhi, Bangalore and maybe later going to say Bombay. For sourcing more corporates for the EVA product. We are planning three places Delhi, Bombay and Bangalore.
- Yashwanti:** Sir with regards to the EVA product, basically that is an assistant coming to the employee who is waiting for the salary and because of the financial needs in the end of the month. I am not very sure whether this is the right forum to ask. When today only I was going through that launch of Mr. Nandan Nilekani and Mr. Narayana Murthy that software which allows you the AI-based investment. Where they talk about increasing your income and quite good in many schools. So if this kind of a product is available in the market and especially which is coming under the brand of Nandan Nilekan and Mr. Narayana Murthy. How do you see the scope for the EVA product?
- Sanjay Aggarwal:** So our is a loan product? Nandan Nilekani coming out with an investment product or a loan product?
- Yashwanti:** It is an investment product, but where you have a good guarantee on the income. So whether when this kind of a product is available and again it is coming under the brand of Mr. Nandan Nilekan and Mr. Narayana Murthy. What is the scope of our demand for the EVA product? I just wanted to understand?
- Sanjay Aggarwal:** No see our is a short-term loan for emergency requirements. Suppose our main client size employees with a salary of 15,000 to 35,000 to 40,000. Suppose there is an emergency need of 5,000 to 10,000. He doesn't have to go to his employer or pick up from the market. He can just by clicking on a link within 70 seconds he can withdraw from our bank account and he doesn't have to worry about the repayment because the money gets deducted directly from his salary. I think what are we talking about, Mr. Nilekani that must be an investment product.
- Yashwanti:** Yeah, but it guarantees the money at the end of the day. That is what I was asking you. That the investment guarantees the money by the end of the day where an investor can withdraw the money or whatever is the amount earn on that. So, this kind of a product which is a comparatively you can say a competitive product where the source of income is increasing in the hands of the people whether employees or the employers. What is the scope of our product? This is just a thought which I wanted to understand?



- Sanjay Aggarwal:** No. Ours is a loan product. If somebody has an emergency requirement he can withdraw from here. It's more of like a credit card. Our clients are normally those who do not have credit cards, but when such we have tied up with **Inscor [19:16] Healthcare** over here, their average salary is 62, they have 70 staff strength and average employee does have 2 to 3 credit cards and we have seen at least 7 to 10 people per month withdraw from our portal. We ask them why are you withdrawing when you have got 3 to 4 credit cards with you? They what they think is that they are withdrawing money against their earned salary. It's not a loan from them. What we are charging is INR200, INR300 per transaction which is hardly pinches them. And when they withdraw against the credit card they think they are taking some sort of a loan.
- Yashwanti:** Okay. And what is the future plan capex in expanding the network and expanding the agent base and expanding the [inaudible 20:00].
- Sanjay Aggarwal:** See currently we have tied up with 13 companies. And two more partnerships are going to sign by next week. We plan to increase it to 100 this thing by end of this year. 100 to 120, you know, whatever maximum we can go.
- Yashwanti:** Okay. And what will be the funding requirement for this one?
- Sanjay Aggarwal:** Come again?
- Yashwanti:** What will be the funding requirement for this thing?
- Sanjay Aggarwal:** See, that shouldn't be an issue. See, I think you might be aware that Mauritius Fund has invested about INR10 crores in our share of the warrants issue, INR2.5 crores they already put in. And I think then, say, before the end of the next, this thing, half year closing, they put the balance of INR7.5 crores. Plus, we have got limits from -- sufficient limits from State Bank. Money should not be a problem.
- Yashwanti:** Okay, sir. Thank you so much, sir.
- Moderator:** Thank you. The next question is from the line of Anirudh Raut from Viram Capital. Please go ahead.
- Anirudh Raut:** Hi, management.
- Sanjay Aggarwal:** Hi, good afternoon, sir.
- Anirudh Raut:** So my first question is like, what are your number of branches? And what is your future plan of expansion?
- Sanjay Aggarwal:** See, currently, we are operating only from Chandigarh. We plan to open up branches in the coming year in Delhi, Mumbai and Bangalore. And our future expansion majorly, we are looking at EVA product. Of course, the other two projects will organically grow, the distribution business. As of the business loan, that will organically grow. But what we are planning is a major expansion in our EVA product. In India, only four companies have this technology. And we are the only company in the listed space which has this technology. Other three are **Zeepay**, **Refyne** and **FatakPay**.

- Anirudh Raut:** Okay. So can you tell me how many corporate companies you are currently serving? And did you make any addition in this year?
- Sanjay Aggarwal:** See, currently, we are serving 13 companies. And two more we are tying up in the next week. We plan to scale it up to 100 to 120 companies by the year end.
- Anirudh Raut:** Okay. And sir, how is our revenue arrangement under this business vertical?
- Sanjay Aggarwal:** See, we charge about 36% IRR, 2%-2.5% upfront processing we take from the employee. In direct terms, it comes around 36% on an average.
- Anirudh Raut:** Okay. And can you say what will be your future growth area? And how will you expand it?
- Sanjay Aggarwal:** See, future growth, our major focus will be on EVA because the returns are very high over here. And of course, the business loan part and the distribution business will continue to go fee-based activities continue to grow organically. Plus we are looking at one or two more major tie-ups which will disclose to the exchange shortly. I think in a week, 10 days.
- Anirudh Raut:** Okay.
- Sanjay Aggarwal:** That will be the fourth area of operation. I think we should be able to tell the exchange in the next 7-10 days.
- Anirudh Raut:** Okay. Thank you, sir.
- Sanjay Aggarwal:** Thank you very much.
- Moderator:** Thank you. The next question is from the line of Saloni Sharma from Unity Financial. Please go ahead.
- Saloni Sharma:** So my question is, can you elaborate on the significant increase in stand-alone total income of Emerald Finance Limited in financial year '24?
- Sanjay Aggarwal:** It increased by 44%. Hello?
- Saloni Sharma:** Yes.
- Sanjay Aggarwal:** It increased by 44% from INR2 crores to INR3 crores. Yes. It was mainly because of increase in the book size and increase in our fee-based activities and a bit because of EVA product. This year we should expect even much healthier growth this year. And then, in fact, for the next three times, we should expect a much healthier growth.
- Saloni Sharma:** Okay. Thank you.
- Sanjay Aggarwal:** And as I told you, 8x to 10x growth in the book size in the next three years.
- Saloni Sharma:** Okay.

- Moderator:** Thank you. The next question is from the line of Tara Kaur from C-Square. Please go ahead. Tara, your line is unmuted. Please go ahead. As there's no response from the current participant, we'll move on to the next. That is from the line of Mansi Varma from Gajanan Capital. Please go ahead. Mansi, your line is in the talk mode. Please go ahead.
- Mansi Varma:** Yeah. Good afternoon, sir. The question of mine is that what potential impact can early-wage access program have on your company, your thing? And what can it change in terms of market position?
- Management:** Hello, everyone. Sanjay sir, can I answer this one?
- Sanjay Aggarwal:** Sure. Please.
- Management:** Hi, everyone. My name is [Praveen Kumar 0:25:26]. I'm the Head of Business Development for Emerald. And I'm the one who's essentially pioneered this entire EVA project into the company. So answering your question. Sorry, could you just repeat your question, please?
- Mansi Varma:** Sorry?
- Management:** Could you just repeat your question?
- Mansi Varma:** Okay. So the question of mine is that what potential impact can early-wage access program have on your company? And what can it make changes in terms of market position?
- Management:** Also, in our opinion, this will have a huge impact on the company. So, for example, EVA is essentially a customer acquisition tool for us. So we use it not to acquire only individual corporate employees, but even corporate businesses. So, if I'm going to a corporate, my relationship is with both the corporate and the individual. So we use it as a customer acquisition tool.
- So, for instance, in the next couple of months, we are planning to roll out an EMI facility [inaudible 0:26:18] 12 months to their corporate employees. And slowly and steadily we'll keep scaling these products. So either we source it, either we fund it ourselves, or we source it through our ESA partnership to other FIs and earn commission on that. So these are avenues that we are exploring. And similarly, on the lines of businesses.
- So we have business corporates onboarded with us. And we can offer them additional cross-sell products like business loan, working capital loan. So this essentially acts as a customer acquisition tool for us through which we'll increase our other book sizes.
- Mansi Varma:** And what additional partnerships have done by company in terms of launching this program?
- Management:** Also, we are constantly onboarding more corporates -- in this financial year itself, we have onboarded close to five to six corporates. And we're in talks with a lot more. We have an entire pipeline made already. So our target is to reach 100 to 120 by the end of this financial year. And in terms of numbers, we are clocking close to 1 crore in disbursement in this month. And we expect to scale it to almost 7x to 8x by the end of this financial year.

- Mansi Varma:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Ritika Jain from HNI. Please go ahead.
- Ritika Jain:** Yeah. Hello, sir. Good afternoon. Thank you for the opportunity. Sir, can you throw some light on FY'24 performance and compared to previous fiscal year?
- Sanjay Aggarwal:** Yeah, ma'am. On a stand-alone basis, our PAT jumped by 44%. And on a consolidated basis, it jumped by about 20%.
- Ritika Jain:** Okay. And what are the factors which contributed to 20% surge in company's PAT in FY'24?
- Sanjay Aggarwal:** Come again?
- Ritika Jain:** So I would like to know the factors which contributed to 20% growth in company's PAT FY'24?
- Sanjay Aggarwal:** See, that was all around growth. That was increase in distribution business and increase in our book size also, and some EVA income also came in. This year, we expect major increase in the EVA income. And going forward, in the next three years, we expect a major increase. See, like as Praveen said, you know, look at the other major companies. They use this consumer durable loans to acquire customers.
- They are acquiring consumer durable loans at a loss. Here, we are acquiring customers at a profit of almost 36%. And there are a number of products we can cross sell. Once we acquire a customer, we can -- the number of products we can cross sell the same gentleman. Our major, you look at the major other NBFCs, they acquire customers at a loss. Here, we are acquiring customers at a huge profit. And there are a number of things we can cross sell them.
- Ritika Jain:** Okay, sir. Okay. Got it.
- Sanjay Aggarwal:** We may not book in our own books, you know, like home loans or gold loans. We may not book in our books, but we get a fee-based income from there.
- Ritika Jain:** Okay, sir. Okay. Understood. Thank you so much, sir.
- Sanjay Aggarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Tara Kaur from C-Square. Please go ahead.
- Tara Kaur:** Hi, sir. Just had a few questions that how does our company collaboration with over 40 financial institutions through its subsidiaries, like [Alliednet 30:06] Advisory Advisors contributing to its competitors advantage?
- Sanjay Aggarwal:** See, we have a tie-up DSA agreements with all these 40 institutions for various products. Like for HDFC, we are sourcing majorly gold loans. For Flutron, we are doing personal loans. For Flutron also, we are among the top five DSAs for personal loans.

- Tara Kaur:** Okay. And can you provide details on the company's experience with early wedge access products and its potential for the future expansion?
- Sanjay Aggarwal:** See, ma'am, we are doing on a test pilot basis for the last six months. And till date, we have almost zero, absolute zero delinquency. And, you know, this product is very, you know, invoked in the US and Europe. In India, the only four companies are doing it. I think we'll go much over here in India also. This product is very popular in Indonesia and Philippines also. Currently now. And a lot of those companies, you know, in US or Indonesia or Philippines were doing this EVA product. They received major investments from equity funds. We see huge potential in this particular product. Because the money is guaranteed. Money is the repayment comes from the employer. So our risk is on the employer, not on the employee.
- Tara Kaur:** Okay. What are the challenges we are facing? We may face implementing a starting initiative, strategic initiative, particularly for this early access program only.
- Sanjay Aggarwal:** See that one and only major challenge is onboarding of corporates and convincing the corporates to implement this product for the employees is a challenge. That is a major challenge. That is what onboarding an employer takes about one and a half months with currently with us.
- Management:** So just to add to Sir's point, you know, the major challenge we face is a lack of awareness of the product. So this is a very new product in the Indian market. So we're still developing that market as it keeps developing. The onboarding becomes much more seamless for us.
- Tara Kaur:** Okay. Thank you.
- Management:** Thank you, ma'am.
- Moderator:** Thank you. The next question is for the line of Mahesh Seth, an individual investor. Please go ahead.
- Mahesh Seth:** So I just wanted to know about the more details on ESOP granted by you under the ESL ESOP scheme 2023, including their vesting period and excess price.
- Sanjay Aggarwal:** See, we have granted 2,30,000 shares to four individuals that are critical to our organization at the rate of INR27 and the vesting period is four years. Total we have blocked 15,000,000 shares for our employees. We were giving a further share as we go forward. Currently we have allotted 2,30,000 shares.
- Mahesh Seth:** Okay. Okay. And what is the potential synergies or benefits can Emerald Finance Limited derive from recent partnerships as mentioned in the press release?
- Sanjay Aggarwal:** See, we have signed partnerships with 13 corporates for EVA product on Wage Access program. We are increasing those partnerships. Two more partnerships will be signing off next week.
- Mahesh Seth:** Okay. Two more partnerships in next week?
- Sanjay Aggarwal:** Yeah.

**Mahesh Seth:** Okay. Okay. Thank you.

**Sanjay Aggarwal:** Thank you very much.

**Moderator:** Thank you. The next question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

**Shikhar Mundra:** So for EVA, what is our competitive edge exactly? Like if more players come into the market, then how will we be able to command these high rates 2% to 3% per month?

**Sanjay Aggarwal:** See, there's a huge potential in the market. We have not even scratched the, you know, surface. And, you know, to the employee, it doesn't pinch us, you know. For INR10,000, we just charge INR200. I mean, it hardly pinches them. See, our returns come every year. We look at our IRR, we look at 36%. But if you look at from the employee in real terms, it hardly matters to him. If we're charging INR5,000 we're hardly charging, INR7,500.

But our IRR comes around 36%. And the main challenge is here, you know, tying up with more and more corporate, that's the main challenge. And it's a huge market, you know. The potential is going to be huge. Like [Salim] said, you know, this product is not in vogue in India. If you look abroad in the U.S., it's very, very popular, no? Rainpay, with whom we had a partnership earlier, they received about 300 million dollars from our ecoteam. Same is the case with companies in Indonesia and Philippines.

**Shikhar Mundra:** And then, like, what kind of corporate, I mean, what size, what kind of corporates are we onboarding with? Like, how many corporates have we onboarded with?

**Sanjay Aggarwal:** As of date, 13.

**Shikhar Mundra:** 13. And what is the size of these corporates? Like, how big are they?

**Sanjay Aggarwal:** The minimum benchmark is we should have at least 100 employees. Upper, there is no limit. See, our system is very robust, it can handle 20,000 transactions per second.

**Shikhar Mundra:** Okay.

**Sanjay Aggarwal:** It can handle up to 20,000 transactions every single second. I mean, 20,000 employees can simultaneously log in on.

**Shikhar Mundra:** Right. Right. And when was EVA started?

**Sanjay Aggarwal:** See, we started with Rain in July 22. We developed our own program about six months back.

**Shikhar Mundra:** Okay. So, six months back, we actually started approaching these corporates.

**Sanjay Aggarwal:** On our own.

**Shikhar Mundra:** Yeah.

- Sanjay Aggarwal:** Earlier, we were doing with two major corporates sourced by Rainpay only. That was Quest Corp and Sutherland.
- Shikhar Mundra:** Okay. So, what was the earlier arrangement exactly?
- Sanjay Aggarwal:** See, funding was all done by us. They were putting the technology part. So, we were sharing some fees with them.
- Shikhar Mundra:** Okay. So, earlier, what kind of scale did we achieve?
- Sanjay Aggarwal:** Till we were going there, we reached at INR6 crores per month.
- Shikhar Mundra:** Okay. We reached INR6 crores per month. Now, that has completely been stopped. So, we are on our own only now.
- Sanjay Aggarwal:** We are on our own now. Yeah. And we see, we learned a lot of things. You know, the mistakes which they were committing and we learned a lot of things from them. And our platform is much more advanced. You know, keeping in mind the deficiencies in their platform, our platform is much more advanced. In fact, we showed it to the Rainpay MD in US. Our platform is much more advanced than their platform in US even.
- Shikhar Mundra:** Okay. So, earlier, we were present in the US market with these corporates?
- Sanjay Aggarwal:** No, no, no. These are all Indian corporates. Rainpay was working in besides US, in three other countries. So, they withdrew from all those three countries.
- Shikhar Mundra:** Okay, okay. So, now we are in short competing with them only basically in Indian market?
- Sanjay Aggarwal:** No, no. They are not operating in Indian market. India is not operating in Indian market now. See, there is so much scope in US only now. So, they are just focused on the US market.
- Shikhar Mundra:** Okay. So, any particular reason they left the Indian market when there is so much scope in India also?
- Sanjay Aggarwal:** See, they didn't have much investment in India and you know, they received \$300 million investment in US. The new investor said there is so much scope in US. So, why are you doing in other countries? You know, India has such a huge potential. There is no fun for us going to Nepal, Pakistan or Bangladesh when there is so much huge potential in India.
- Shikhar Mundra:** Right, right. And how much have we disbursed total in EVA?
- Sanjay Aggarwal:** This month we will be doing around INR1 crore. But we are expecting much more. It's just a start. We are expecting much more book size in the coming years.
- Shikhar Mundra:** Okay. But what has been the month-on-month growth? What was the last month growth? What was the last month number for EVA?
- Sanjay Aggarwal:** INR38 lakhs.

- Shikhar Mundra:** INR38 lakhs. So, from INR38 lakhs to straight away we have jumped to INR1 crores.
- Sanjay Aggarwal:** INR1 crore. Yeah, It's a manifold increase in this thing. And the best part is there's 0% delinquency. Look at it from a different angle. We are lending at 36%. There's a 0% delinquency. And we have just booked provision for 0.5% delinquency. But till date there's a 0% delinquency. Plus we are onboarding so many clients and there are N number of products we can cross sell these for the clients. You know, like home loans and loan against property, we may not fund from our book. But we can always source them in the distribution business. It will directly impact our bottom line. There will be huge income. There will be huge fee income. Look at some of the major players in the NBFC segment sourcing consumer durables just for the sake of onboarding clients.
- They are doing at a loss. Here we are onboarding a client at such a big profit. And this is one of the products which RBI clearly allowed. They have clearly mentioned this product and they have allowed this product and last year RBI conducted a detailed audit of our company also. And we cleared that audit.
- Shikhar Mundra:** For the distribution business, how much are we doing? It's like a co-lending model. What's the model exactly there?
- Sanjay Aggarwal:** It's not a co-lending model. We just source a case and pass it on to any one of the 40 institutions working for. And on disbursement of the case, we get a fees.
- Shikhar Mundra:** And what is the fees? Can you quantify it?
- Sanjay Aggarwal:** See, it depends on product-to-product price. On a gold loan, on an average, we get 1.25%. On personal loan, we get about 3.5%. On a home loan, we get about 0.9%. And loan against property, we get 1.25%. Okay.
- Shikhar Mundra:** Okay. And how much is the revenue coming from this segment? And what have been the total loans we have distributed?
- Sanjay Aggarwal:** See, last year, our total book size on our books was INR45 crores.
- And for distribution, we did about INR250 crores only gold loans with HDFC Bank. And about INR70 crores personal loans with Selectron. And so on, so forth.
- We did mortgage loans also with Kotak Mahindra.
- Shikhar Mundra:** And when we say 8%-10% growth, these are very aggressive numbers.
- Sanjay Aggarwal:** 8%-10% growth. This is achievable. We have made internal 12-quarter projections.
- Shikhar Mundra:** But what have you estimated? How much will be from distribution? How much will be from the traditional lending book? And how much from Eva when you say 8x-10x?
- Sanjay Aggarwal:** See, major chunk we expect from the Eva. And of course there will be simultaneous growth in our distribution business as well as our business loan business. And we are planning to add one



or two more lines also. We will be making an announcement shortly. But major income, distribution business also grows because of Eva. It has already started growing because of that. It has already started receiving leads from our Eva clients.

See, that's a very unique product. In India, as of date, only four companies are doing it. You know, there are not many, there is enough room for 100-200, new NBFCs to come into this sector. And there will be still room for growth for each one of us. This is a huge untapped market, no? Tensure period is 90%. You know, if a guy, let's say out of 10 people, almost 90% again take money next month

**Shikhar Mundra:** How big would be the market? And who are the other three players? Who are the other three, four players?

**Sanjay Aggarwal:** Zeepay, FatakPay and Refyne in Chennai, Zeepay and FatakPay are in Mumbai. Refyne is in Chennai.

**Shikhar Mundra:** And how big are they doing a business? Like how big would be the market for you?

**Sanjay Aggarwal:** See, Zeepay is doing about INR10 crores. FatakPay is I think about INR3 crores per month, Refyne, I don't have the figures. Refyne is also quite big. Zeepay is also doing very well They wording doing what INR10-INR11 crores per month. I think we should reach the numbers not too far near future.

**Moderator:** Thank you. The next question is in the line of Jignesh from JIVA Capital. Please go ahead.

**Jignesh:** Yes, I just wanted to understand that you are focusing on adding corporates with more than 100 employees. So, if I understand a lot of banks nowadays give salary accounts and also provide all this kind of services in their mobile app itself. So, actually, this kind of loans are available directly from the bank itself.

So, how challenging it will be for us to grab such kind of corporates?

**Management:** [45:27] Taleen would like to take this question?

**Taleen Agarwal:** All right. So, the main beauty of a product is that the repayment is made by the employer. So, it's going to repayment to hassle employee. So, I'll just take a case of credit card. So, my credit card bill is due on the 10th of every month. So, even if I miss it by one day, they'll immediately levy penalty charges, they'll immediately levy interest.

Now, by mistake if missed the payment date, then this is a penalty I'm bearing. But in this case, the employee doesn't have the hassle to, when is the repayment. So, in that case, there's no hassle about that. And secondly, this is again a percentage of their own money that they've already worked, they've accrued, that they are withdrawing.

**Sanjay Aggarwal:** See, I told you, we tied up with the hospital company and where each employee bought 3-4 credit cards. Still, they are using our product. Because see, for them, it's not a loan.

It's just an advance against what they've already earned. You know, when you got 3-4 credit cards, why are you withdrawing from our hotel? They said, we are taking money against what we have earned. We are not taking any loan. It's not a loan. It's basically employees withdrawing against what he has already earned.

**Jignesh:** Right. And the other thing like, this Eva product is now around one crore is the total lending that you are doing.

**Sanjay Aggarwal:** In this current month. Right. That's right.

**Jignesh:** Yes. So, this, you intend to scale it up to INR10 crores per month in next 2, 3 years.

**Sanjay Aggarwal:** Maybe even earlier. See, we are in talks with a number of corporates and we appointed some agents also. You know, we have a person who will source some HR companies who will source clients for us. Who will source corporate clients for us.

**Jignesh:** So, you work with this HR company who will source clients. So, I think they will. What kind of arrangement it will be for the loan per person? They will be paid off from the interest that you earn?

**Sanjay Aggarwal:** Not only onboarding HR companies, but all our agents. So, we actually have a network of DAC agents working only for this. And so, the reason with them is we essentially pay them a monthly payout based on the business we do with the corporates. So, this is actually engaging them also to, you know, get us more corporates.

**Jignesh:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was our last question. I now hand the conference over to Ms. Chandni Chande for her closing comments.

**Chandni Chande:** Thank you. Thank you, everyone, for joining the conference 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 the call.

**Moderator:** Thank you, members of the management team. Ladies and gentlemen, on behalf of Kirin Advisors Private Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.