



SG Finserve Limited

Date: January 28, 2026

To,
Secretary
Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Scrip Code: 539199

NSE Symbol: SGFIN

Dear Sir/Madam,

Sub: Transcript of Conference Call held on 23.01.2026

This is with reference to our intimation dated 19th January 2026 regarding Conference Call with investors and analysts on 23rd January, 2026 (Friday). Please find attached the transcript of the aforesaid conference call.

The above information is also available on the website of company i.e. www.sgfinserve.com

Kindly take the same in your record.

Thanking you

For SG Finserve Limited

Kush Mishra

Company Secretary & Compliance Officer

SG Finserve Limited

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“SG Finserve Limited
Q3 FY26 Conference Call”
January 23, 2026



MANAGEMENT: **MR. VINAY GUPTA – CHIEF EXECUTIVE OFFICER –**
SG FINSERVE LIMITED
MR. SANJAY RAJPUT – CHIEF FINANCIAL OFFICER –
SG FINSERVE LIMITED
MR. ANUBHAV GUPTA – GROUP CHIEF STRATEGY
OFFICER

MODERATOR: **MR. SHREEPAL DOSHI – EQUIRUS SECURITIES**

Moderator:

Ladies and gentlemen, good day and welcome to the SG Finserve Q3 FY26 Conference Call hosted by Equirius Securities. 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 touchtone phone.

Please note that the conference is being recorded. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinion and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risk and uncertainty that are difficult to predict.

I now hand the conference over to Mr. Shreepal Doshi from Equirius Securities. Thank you and over to you, Mr. Shreepal.

Shreepal Doshi:

Thank you, Rudra. Good evening, everyone. We welcome you all to the earnings conference call of SG Finserve to discuss the Q3 FY26 performance of the company. Today, we have the management of the company represented by Mr. Vinay Gupta, CEO, Mr. Sanjay Rajput, CFO and Mr. Anubhav Gupta, Group Chief Strategy Officer. Without taking much time, I would now like to hand over the call to the management for their opening remarks post which we can open the forum for question and answer. Over to you, sir.

Vinay Gupta:

Hi, this is Vinay Gupta. Jai Hind, everyone. I would like to first thank my predecessor, Sorabh Dhawan, for laying a strong foundation of SG Finserve under the guidance of our sponsors. We are fully committed to take this franchise to new heights while creating sustainable value for our stakeholders.

We are pleased to share that your NBFC has delivered excellent financial and operational performance during the Q3 and the nine-month ending, December 25. We have achieved an all-time-high loan book of INR 3,210 crores as of December 31, 2025, registering quarter-on-quarter growth of 12%. At the same time, our profit after tax for Q3 stand at INR 32 crores, reflecting quarter-on-quarter growth of 15%.

For the nine months ended December, our PAT was INR 85 crores with year-on-year growth of 49%. Supply chain financing, continues to remain our core strength and focus, which presently contributes to around 70% of our AUM.

Recently, RBI has granted us license to commence factoring business, which will further strengthens our supply chain financing offering. Operationally, we remain a very highly disciplined NBFC with cost-to-income ratio of less than 15%, nil NPAs. We have delivered return on assets of 4.4% and return on equity of 10.5% on annualized basis for the first nine months.

From a balance sheet perspective, we are well capitalized with equity of approximately INR 1,100 crores and a conservative leverage of nearing 2x, which provides us ample headroom to support our growth over the next three to four years.

From a forward-looking guidance perspective, our growth is targeted in a very clear and focused manner. On the loan book size for the next four years, we look to grow at 20% CAGR to take the book to INR 7,500 crores by March 2030.

However, from the profitability perspective, the CAGR is targeted to be around 30% during the same period, so that we achieve Profit Before Tax of INR 500 crores in FY30, which will translate to return on assets of around 5% and return on equity of around 15%.

Our strategy is centered around Deepening and Widening, where we will strengthen our relationship with existing anchors and customers, acquire new customers from the market and from existing anchors, expand our product offering, forge strategic partnerships, and explore new financial services.

Subject to regulatory approvals, today the board has approved our expansion plan to set up four new subsidiaries, which will further augment our fee-based revenue. Currently, it is at the drawing board stage, but the board has approved to explore and evaluate the areas of ARC, AIF, Insurance Broking, and FinTech business.

At the closing, I would like to sincerely thank all our stakeholders for their continued trust and support. Together, we will continue to build a strong, scalable, and sustainable SG Finserve.

Thank you, everyone. Over to the moderator.

Moderator: Thank you very much. The first question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit Patil: Good evening to the team. I have two questions. My first question is to Mr. Gupta. As SG Finserve transitions under new leadership, how do you see the lending portfolio evolving over the next two to three quarters, particularly in balancing retail, SME, and supply chain finance? And what role will digital underwriting, risk analytics, and partnerships play in scaling customer acquisition while maintaining asset quality? That's my first question. I'll ask my second question after this. Thank you.

Vinay Gupta: Thank you, Sucrit, for the question. As of now, we are not doing any retail financing. We are only doing supply chain, which is anchored till dealer/distributor. The only thing we are trying to do now, we are deepening our engagement at the Tier 2 dealer level, which is more strategic, granular, high yielding and sticky in nature.

So supply chain will continue to be around 70% of our AUM, as I said in my opening remarks, between anchor-led business or open account financing or factoring-based business. As of today, we are not looking to enter in retail financing.

Sucrit Patil: Okay. And my second question is to Mr. Sanjay. With strong capital adequacy and a growing NBFC footprint, how are you planning to sustain margins while managing funding costs and credit risk? Looking ahead, what is your framework for balancing operating levers, the discipline capital allocation and compliance to drive ROE in the long-term process? Thank you.

Vinay Gupta:

I'll take that question, Sucrit, if you allow. Currently, our leverage is 2x, with INR 1,100 crores of equity base. Additional equity of INR 338 crores is expected by April and with accruals of Q4 put together, I think we are looking to have an equity base of somewhere between INR 1,450 crores to INR 1,500 crores as we begin the new financial year.

On the AUM side, as I said, we are looking to grow at only 20% CAGR and as of today, our leverage is only 2x. However, as part of our Board approvals, we already have INR 5,000 crores of borrowing plans approved. We are currently dealing with 18 banks and two mutual funds for our borrowing.

So, we have ample room available with us to grow our balance sheet. If we were to leverage ourselves from 2x to 3x, then the resultant return on equity will also be higher. However, we would like to play little conservative, considering we are at initial stage of our operations.

Sucrit Patil:

Thank you. And I wish the entire team best of luck for the next quarter.

Vinay Gupta:

Thank you so much, Sucrit.

Moderator:

Thank you. Our next question is from the line of Kushal Jajodia from Kushal Jajodia & Associates. Please go ahead.

Kushal Jajodia:

Hi management. Hi team. So my question is for Anubhav Guptaji. Anubhav, so wanted to ask, the subsidiaries will be funded by the share warrants pending due, right?

Anubhav Gupta:

That's right.

Kushal Jajodia:

Right. So when can we expect the money to come to the company, by March or April?

Anubhav Gupta:

April is the due timeline, but, we might do it earlier also, although there is no compulsion on the shareholders to do it earlier. But, the idea is - if it comes early, our 31st March balance sheet will be much stronger.

Kushal Jajodia:

Okay. Anubhav, I wanted the guidance for FY '27 and '28. So the thing is FY '26-'27, you have clear cut given the guidance of INR6,000 crores AUM. And in the investor presentation which we got it today, March 30, we are predicting AUM of INR7,500 crores. So why this three years we are downgrading our run rate basically if you are adding something like in the previous con-calls you have given that every year we are predicting to add like INR1,000 crores AUM. So post 2026-'27, from INR6,000 crores, why we are lowering it to INR500 crores per year or something like that?

Anubhav Gupta:

What had happened, you would remember, we faced issue related to our license, where we could not run the business for good six, seven months on the full scale. Because we had to get Type II license from RBI, which put the company behind by six to eight months. So that's the reason why this guidance looks lower compared to what we had given when we started the company. But see, I mean, this year, we're going to close our AUM at INR 3,500 crores. And then every year, we're going to increase it by INR 1,000 crores, not INR 500 crores.

- Kushal Jajodia:** Because our guidance for '25-'26 is INR 6,000 crores AUM, right?
- Vinay Gupta:** '26-'27 guidance was for INR 6,000 earlier.
- Kushal Jajodia:** '26-'27, sorry.
- Vinay Gupta:** Yes.
- Kushal Jajodia:** And in the investor presentation of March '30, it's given INR 7,500. So, on an average from FY '27 onwards, basically, we are predicting on an average only INR 500 crores AUM will be added.
- Anubhav Gupta:** Every year, INR 1,000 crores is targeted to be added. Kushal, you are assuming that March '27 continues to be INR 6,000 crores, that's why you're calculating addition of INR 500 crores from thereon, but that's not the case. We have reduced March '27 also. So we are talking about 20% CAGR from March '26 to March '30. Please understand that SG Finserve as a company, it had two key developments in last one year.
- One, the business got halted because of the renewal of license. Second, the team, which started the company, it went out and then the new team coming in. So, now it's just that we are being a bit conservative, while giving guidance. And once we achieve these numbers, there is no harm in upgrading the guidance.
- I'm sure you'll be following APL Apollo Tube stock as well. In Q1, when things were not too great, right, we cut our guidance from 20% volume growth to 10% to 15% volume growth. Now, first nine months we did well. And yesterday only on the earnings call, we upgraded the growth guidance to 20%. So that's our group philosophy that let's not be too aggressive on guidance.
- Given that two key developments just got over, new management is taking charge. Although the base team is same, we want to give reasonable time to the new management to settle so that in aggression, we shouldn't be doing any error.
- So, six months, I mean, who knows that we may close March '26 more than INR 3,500 crores, or maybe we achieve INR 4,500 crores within 2026 calendar year. If that happens, it just takes one earnings call, one analyst call to say, hey, we are doing good and now we are upgrading our guidance.
- Kushal Jajodia:** Just last one more question. Can you elaborate more about the AIF you're trying to open as a subsidiary? What will the AIF do?
- Anubhav Gupta:** This is a very broad-based idea. I mean, no development as of now. It's just a broader vision, what we are telling the investors, No action is being taken as of now and we are still, few quarters away. Right now, the focus is to achieve INR 4,500 crores loan book in next 12 months. That's the idea.
- Moderator:** Our next question is from the line of Shashank Jha from SB Capital.
- Shashank Jha:** Yeah, my question was already questioned by previous participant.

Moderator:

Our next question is from the line of Shubham an Individual Investor.

Shubham:

So, this is Shubham. So, my question is regarding your guidance change, right? Like, I've been following this company since one and a half years, like, we have not been clear in our guidance, right? And the thing that I wanted to check with your team is like, of course, like you are giving some guidance to the investor community, but that change in your aspirations, it might also create some dissonance within your team, within your management team, right?

So, what are you targeting as a management team? Like, what is that internal number that you are changing? If you can just share some highlight on that. Also, like, INR1,000 crores additional AUM for the next four years, right? This seems very linear. When you want to grow at 20% CAGR, this number should also be not INR1,000 crores, rather it should start from INR600 crores and then go to INR1,500 crores, right?

Because your size of the organization will also increase. So, have we actually calibrated this guidance? Is there some science behind this guidance or we have just given or we have just put some number there, like INR1,000 crores per year AUM that doesn't actually make sense. So, to be very, very honest, right? Like size of organization will change, everything will change. And why this INR1,000 crores linear number year-after-year?

Anubhav Gupta:

So, let's split this question into two parts. One is that, what went wrong in revising the guidance, continuously in last two and a half years. And now the guidance which we have given, why we think this is fair to give as of date and there will always be probability that it could be further upgraded. So, I'll take the first part and let Vinay take the second part. So, see, like I said, the company went through two key situations, right?

I mean, as a group, we were new to this business. This license related issue had come, and we had to run down the business from INR 2,000 crores loan book to INR 1,200 crores within like weeks-time. And we had to give money back to the banks, right?

And then promoter had to infuse funds which he did. Then again, we had to re-initiate the process with the banks to get the limits and it took almost seven, eight months to restart business operations. And when the company got on track in terms of license, we had the exit of key management personnel. So, I think, these are the two main reasons that why we had to keep on revising our guidance.

But now it's fairly stable. I mean, the RBI license and the new management, which has taken charge. It's just like two months, Vinay and team joined in and we, as a promoter group, don't want to pressurize the new team. INR 1,000 crores addition every year looks linear. Yes, it is right, but like I said, this is not a writing on a wall which we are going to stick to it. First idea is to grow from 3,500 in Mar'26 to 4,500 in Mar'27 which is 33% growth. If we achieve 33% loan book growth by March 27, or if we are able to achieve it, say, by December 26, it gives us confidence, hey, next year, let's aim for 6,000 or 6,000 plus, and then maybe 8000, and maybe 10,000, not only 7500 by FY30.

This was our recent plan to reach INR10,000 crores by 2030, when we started the company in 2022. So, INR10,000 crores loan book by 2030 is possible. It's just that we want to go slow, and the idea to be so transparent in giving these numbers to you, so that the expectation gets set on day one, and the new team starts working on overachieving these numbers.

And, again, see, whatever growth numbers we have given, what we want is that the company should stand on zero NPA. We don't want any NPA, and that's the beauty of, running an NBFC. During 2022 to 2026, we have done gross disbursements of INR 50,000 crores to INR60,000 crores, we are sitting on zero NPAs.

It's very easy to say that, hey, I can grow loan book by INR 2000 crores or INR 3000 crores, but what if NPAs come from there? For us, what matters is that growth comes with no accidents, no NPAs. So, if we grow our loan book faster than what we have guided without any NPA, we will go aggressive next year.

Shubham: Then what is the sense of guidance, right? Either we should not give long-term guidance, if we are ourselves saying that we will change it...

Anubhav Gupta: It's a fair point that we could have given guidance for, say, next 2 years only.

Shubham: It will set the bar too low for your team also, right? Like, this is the expectations. Like, you won't get any questions here. Like, either the high growth investors will leave or they will say that this is the expectation so, they won't question you on that, right?

And nobody will be chasing you for that good metric also. Growth is also a good metric to chase, right? So, that was my point, but I understand your point, sir, but better would have been, like, you gave some short-term guidance, maybe next 1 or 2 years and, or either not give guidance and have good, decent amount of targets for your team as you see fit.

Vinay Gupta: Fair enough. Just to add to your point. the guidance is given for the investors in this presentation. This is not the internal target, we have given to the team. So, just to clarify on that, but your point is well taken. Your next question, please.

Shubham: My question is, related to the factoring business. That is a big business that you got the license for. The industry size is big for that and we are also in very nascent stages of that industry, right? So, does this guidance also include that factoring business? Have we thought about that or do we, are we doing some internal planning around that factoring business? Like, what can be the profit pool AUM and all those things around that?

Vinay Gupta: The factoring business is not going to be a very significant business to start with. We wanted to expand our product offering because currently, we are present in business-to-dealer segment and business-to-distribution segment but we not present in business-to-business segment.

The B2B trade happening between buyers and sellers, that is a segment we want to target through factoring. The factoring business, I'm sure you would know, it needs calibration from cost discipline and trade discipline perspective,. So, we are not looking to grow very aggressively on the factoring initially. We would like to take baby steps, then learn, then build.

- Shubham:** Thank you for your answers and patience. Thank you.
- Vinay Gupta:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Sangeeta Purushottam from Cogito Advisors. Please go ahead.
- Sangeeta Purushottam:** Okay. So, actually my questions also relate to the guidance as well as to Slides 14 and 15. Now, at one level, would I be correct in saying that the primary reason that you have lowered the guidance is because of the change in the management team? Is that the main reason that you're allowing the new team time to settle in? And that's really the key reason? Otherwise, what has changed between last quarter and this quarter?
- Anubhav Gupta:** So, Sangeeta, Anubhav here.
- Sangeeta Purushottam:** Yes, Anubhav.
- Anubhav Gupta:** Yes you can say that because there was a growth plan, which earlier team was running. We thought, let new team get settled in, and we can definitely ramp up things after that. And that's been the strength of our group, right?
- And that's how we scaled up as you've witnessed from October 22, when we started the business. So, just that two situations which came in last 18 months, we just thought maybe in next 4, 5 months, new team would be able to press the pedal and accelerate.
- Sangeeta Purushottam:** Okay. So, see, the first point that you mentioned, about the license, which was revoked and which came back, that's history, right?
- Anubhav Gupta:** Sangeeta, there was only a year back.
- Sangeeta Purushottam:** No, no, I, I understand that. But, if you look at your last two presentations, which have happened after that issue got sorted out, you were still giving a guidance of INR4,000 crores AUM by March 2026 and INR6,000 crores AUM by 2027. So, that was post that issue getting sorted out.
- Now, that's why I was saying that between the last quarter and now the only major change is that there's been a change in the management, right? So, that's the incremental change. And because it's so, is it really because of that, that you have lowered the guidance? Or are you also facing some challenges in growth?
- Anubhav Gupta:** So, let me clarify, Sangeeta, it's only because of the management, no other reason. I mean, like I said, we can still close March 27 at INR 6,000 crores.
- Sangeeta Purushottam:** Okay. So, it's mainly to allow the new management team to settle in?
- Anubhav Gupta:** Yes, yes.
- Sangeeta Purushottam:** Then in that case, Anubhav, I do agree with what the previous participant said. If that's the reason, I think that should have been just very clearly communicated. And I don't see, again, the

logic like giving an FY '30 guidance of INR 7,500 crores. I mean, you don't know what's going to happen in the next 12 months. So, why are you giving a guidance for FY '30?

The second thing is that, are you somewhat overcapitalized at this point in time? And is that the reason that you're looking at some of these new strategic initiatives? Because if I look at Slide 14 and 15, I'm not able to see a very clear logic of getting into some of these things or at least it's not evident to me. Factoring I see the logic, but, it would be good if you could explain other points?

And why would you at this stage want to put in INR 300 crores into asset management company, alternative funds, etcetera, when the clear focus really should be to grow the core business as much as possible and stabilize that with a new management team? So, I'm not very clear about these initiatives. It would be good if you could spend some time explaining that?

Anubhav Gupta:

Sure, Sangeeta. So, coming to the first point of overcapitalization. Just to tell you, the kind of uncertainty, the capital markets have brought, although it's like warrant conversion has to take place in April at INR 450 and we have investors commitment also. But three months back, the stock price was at like 350 bucks.

So, one would wonder whether the external money would come at 450 or not, but we know that it would and we got the commitments. So, after that money coming in, like and 99.9%, it'll happen by March, within March fiscal year so that we close the balance sheet with much more stronger financials. So, we will be at around INR 1,500 crores of equity.

Now, from day one, I mean, you guys have been tracking us, we have been saying that we will not leverage our balance sheet beyond 2.5x, 3x. We don't want to be an NBFC, which is leveraged at 5x, 7x, 8x and then we go aggressive in picking risky loans from the market and then they eventually come back to us with NPAs. We don't want to get into that trap.

We are happy with the linear growth of like INR 1,000 crores loan book addition, but with zero NPA, that is the most prime thing the old team had, the new team has at the time when we conceptualized the idea of launching an NBFC. So, capitalization with leverage of 2x to 3x, we are pretty sorted.

This INR 400 crores, I mean, investment into like multiple new business lines, it is just a broad-based vision, Sangeeta. Over the next two years, the focus is only to build loan book and to overachieve or surpass the guidance what we gave to our investors.

Nothing is going to happen like whatever you saw on Slide 14, Slide 15, it is just a broader vision. I mean, the SG Finserv Management Board think that hey by 2030 can we have like multiple verticals, but nothing is going to move forward till we overachieve the guidance that we have given to you on our core business.

Sangeeta Purushottam:

Okay. So, in that case, Anubhav, again I think it is just -- it is sort of confusing the picture by having these if the plans are not very clear at the moment. And one of your strengths has been that whatever you guys do, you tend to be clear about operating in your areas of strength. So

your supply chain business is also built upon the strength of the core APL Apollo tubes and what the group has.

So, that formed the core of the business and that is what gives you the understanding and the depth to go into this. So, when you are looking at adjacent businesses also I think it would be important to ensure that whatever you are doing is something that you have a right to win.

Otherwise, you could run the risk of becoming another generic kind of an NBFC with no special strengths if you just diversify too much, because that is little concerning. So what is your strength, for example, to look at ARC? In AIF, what are you looking at? Why insurance broking? So some of these questions pop up when you see this fairly disparate kind of items given on Slides 14 and 15?

Anubhav Gupta:

Point well noted, Sangeeta. The company was started to become India's meaningful supply chain financier. That remains and there is no change in that. And 2030, whatever loan book growth is there, bulk of that will be coming from supply chain, given the group itself is also growing. I mean, you are following APL Apollo and other group co., SG Mart also.

So, the kind of business ramp up which is happening there, plus the anchors what we added, the business what our anchors are increasing year-on-year. So, there is ample opportunity to take supply chain funding loan book to INR10,000 crores by 2030. Now, that's the universe whether we achieve it or not that we will see, but that is achievable, doable.

On sidelines, I mean, when company is going to generate INR500 crores worth of PBT every year. So then, you tend to see that what all new verticals can be built in, right? If they make sense or not, right? There will be a lot of logical discussions, meetings, debates will take place between the Board, the management, the promoters, right? Only then we will take any step. Nothing material is going to happen in next 2, 3 years. You can mark our words on this.

Sangeeta Purushottam:

Okay. All right. Yeah. Okay. Thanks.

Moderator:

Thank you. Our next question is from the line of Punit Mittal from Ebisu Investment Advisors LLP. Please go ahead.

Punit Mittal:

Hi, thank you for the opportunity. I think, unfortunately, I will have to harp on that point, because this last two con calls, and especially this one, is giving a lot of mixed signals to the investor. On one side, you are saying that you have changed your guidance because you want to give management time to settle.

On the other side, you are venturing into new business. On one side, you're saying that you're not doing anything for 2, 3 years, but on the other side, you are allocating about 30% of FY '26 book, which is about INR 400 crores to new businesses. I think you, and you mentioned historically that you want to be a leader in supply chain.

It's a huge market, and we have not even scratched the surface. Then at this stage, why even think about anything else? And if you do think about something else, and you do have concrete plans, maybe come back to the investor community with the concrete plans. So this,

unfortunately, sorry to say that, but this presentation and this con call is really confusing to investor community, I would say.

Anubhav Gupta:

So, let me clarify, Punit. The team which came in, the new management team, that is for the supply chain business. Their mandate is to run the supply chain book. Now in next 2, 3 years, if we get into new verticals, new teams will be brought in. Not the existing team will have to run that business, okay?

Like I said, it just came from of drawing board to the slide that, we can do - this, this, this. But for next 2, 3 years, there is no plan to invest even \$1 or to hire even one person who would start all of this. So I would like to reassure to each one of you that SG Finserve's mandate is to become really big in supply chain funding, okay?

Our own group requirement for supply chain financing, will become INR 3,000 crores – INR 4,000 crores by 2030, right? So we need SG Finserve to be very, very strong. Secondly, the anchors who got attached to us, who are working with us closely, 15, 20 of them, right? They have an appetite to take loan book to another INR 3,000 crores – INR 4,000 crores.

And then there will be like new anchors, which can be like brought in for another INR 2,000 crores – INR 3,000 crores of loan book. So we have clear visibility that how this INR 10,000 crores of loan book can be created.

Now, if it happens by 2030, '35 or '28, that's difficult to say, right? But the ultimate goal is to reach at INR 10,000 crores loan book. On behalf of SG Finserve, we are again saying, we are reassuring that not even \$1 of investment or hiring will be done in these new initiatives, what you saw on investor slides.

Punit Mittal:

Great. Thank you for assurance. And as you know better than we do that the market rewards monoline leaders in NBFC a lot more than a multiline. But thanks for the assurance. My second question is more on the existing business. The 30% of the non-supply business, can you give a little bit more color on that and how you plan to ramp up that business, please?

Vinay Gupta:

Punit, 30% of our business is non supply chain, more like business loans, cross selling we are doing with our existing customer or their ecosystem. Because when we deal with the anchors, and dealers distributors, may not be direct borrowers, but within their ecosystem, the requirement of non-supply chain base financing comes.

So, when we interact with them, the requirement are there to extend loans against properties, maybe business loans, maybe working capital beyond supply chain. So this is that piece.

Anubhav Gupta:

So, it's within the same ecosystem, Wherein the customer may not need, channel financing, they may require some business loan or LAP or LAS. So that's what we cater to.

Punit Mittal:

How would you assure zero NPA in that segment in that case?

Vinay Gupta:

It's a highly secured business, Punit. We either take the hard collateral or the shares. It's a secured business. In a supply chain business, natural security is the linkage between the buyer and seller.

So the high pedigree anchor will be there either on the sale side or the purchase side. Here, in this business, the absence of linkage is there, but collateral is there. It's a highly secured business.

Punit Mittal: Okay. And my last question, if you can give us what was the average loan book for Q3?

Vinay Gupta: INR 2,925 crores.

Punit Mittal: Got it. Thank you so much for all your answers and all the very best. Thank you.

Vinay Gupta: Thank you, Punit.

Moderator: Thank you. Our next question is from the line of Daksh Jain from Sagun Capital. Please go ahead.

Daksh Jain: Sir, what's our current MOU with the anchors? And have we added any big names recently?

Vinay Gupta: Daskh, your voice is not very clear.

Daksh Jain: Sir, what's our current MOU size with the anchors?

Vinay Gupta: MOU? You want to know the numbers?

Moderator: Be a little more clear with the voice, Mr. Daksh Jain, please.

Daksh Jain: Hello. Sir, I'm asking what's the MOU, the Memorandum of Understanding that we have signed with the anchors? Like the business they promised us when their brands get onboarded, on the platform?

Vinay Gupta: The aggregate is more than INR- 7,000 crores on an overall basis.

Daksh Jain: Okay. And, sir, can you clarify, like, what's the timeline that the MOU gets converted into actually AUM?

Vinay Gupta: It's a long gestation, but it also depends upon the nature of the program. So, it varies. But the entire MOU may not get converted. You know, AUM will always be lower than MOU, because it's a three-stage process – the MOU size, then the aggregate dealer level or distributor level limit sanction, and then the overall utilization.

So, the MOU never gets consumed 100%. That's something I'm sure you understand. However, when any new MOU is signed, we start getting leads, in the first week or first fortnight itself, and the build-up starts happening.

The build-up gestation generally takes around a year to be at a meaningful stage of the MOU. Then natural growth within the MOU in terms of new leads or the enhancement from the existing dealers or the enhancement of the MOU. So, that's a natural process. But the stabilization of an MOU, I can say broadly, it takes around a year or so.

- Daksh Jain:** Okay. Thanks. And sir, just one request. For future presentation, can you include the, you know, cost of borrowing and the yield that we are deriving and the incremental, all those metrics?
- Vinay Gupta:** Daksh, we would not be able to share that, because we are AA rated NBFC and our negotiation with our set of lenders is different; and we would not like to give that information to our peers.
- Daksh Jain:** Okay, sir. Thank you.
- Moderator:** Thank you. Our next question is from the line of Kushal Jajodia from Kushal Jajodia & Associates. Please go ahead.
- Kushal Jajodia:** Anubhav, I spoke to you. I have one more question. So, this ESOP, when can we expect the vesting date? Is it near at the time of the share warrants only, or it will be delayed?
- Vinay Gupta:** No, Kushal. You're reading it from the outcome of our Board meeting, right? So, there's a new ESOP policy which has been approved by Board today.
- Kushal Jajodia:** Absolutely got it. But can we expect the ESOP to be devised within a year? What is the Board meeting? When are we deciding on that?
- Vinay Gupta:** So, first we will go for the shareholder approval, Kushal. Then we will go to the remuneration committee. Then we will decide. You know, it's away from here.
- Kushal Jajodia:** One more question I had. I had actually checked the financials of FY '25, okay? So, there was a fixed deposit of around INR30 crores, and there were mutual funds at that time. So, what is the current status of the liquid cash as on date, basically, while we are speaking to you? The FDs, how much is the liquid assets to the tune of lying in the FD and the mutual fund?
- Vinay Gupta:** INR 38 crores.
- Kushal Jajodia:** Both of them, right, sir?
- Vinay Gupta:** INR 38 crores is the total liquidity we have currently.
- Kushal Jajodia:** I guess fixed deposits are lying as a margin, right?
- Vinay Gupta:** No it is not margin; fixed deposits are lying in the bank. However, maybe on temporary basis, we may need to use some borrowing against these FD, but that's not the idea. It's not the margin.
- Kushal Jajodia:** And mutual funds are not there as of now, right?
- Vinay Gupta:** No, it is not there.
- Kushal Jajodia:** Great. Okay, thank you.
- Vinay Gupta:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Akhilesh Kumar, an Individual Investor. Please go ahead.

- Akhilesh Kumar:** Yeah. I would like to know that since in the new four verticals, what we have announced for INR400 crores and the approximate new equity, what we are expecting by March is INR400 crores. So, incrementally, we are not going to have any addition of equity for lending purposes?
- Vinay Gupta:** Akhilesh Vinay here, as Anubhav alluded to earlier participants. Today, Board has approved our ideation about the new businesses, which is at a completely drawing board stage as of now. So, there is no business plan, there is no investment. There is long gestation, regulatory approvals, business understanding, and then narrowing down to what we want to do or don't want to do.
- So, there is no plan. This is a Board approved ideation, which is going to take lot of brainstorming and business planning. So, it is long away so very difficult to say anything as of now. As Anubhav said, we have not made up our mind to put even \$1 into any of the subsidiaries.
- Akhilesh Kumar:** Okay, but this is very confusing. Like, say, we are here 10-20 people, shareholders on the call. What about your other, say, 8,000-9000 shareholders? You should communicate properly. Would you mind resending a new release where you will say that these are at idea level, not on -- we are not going to implement or not going to put money into them for next 2-3 years, what you are saying here?
- Anubhav Gupta:** It is a fair point. We'll talk to our compliance team on this.
- Akhilesh Kumar:** Yeah, because not me, everyone else is also interpreting the same thing, right? INR400 crores, 30% equity is going there, and you are putting new things there. And just give me one idea, how is the ARC business in India is doing? Are they, like, aligned with your zero NPA approach running the business?
- Anubhav Gupta:** So, definitely, zero NPA is for supply chain funding business and ARC is a much more risky business. Like we said, and again, we are reiterating, reassuring that it is just the exploration of what SG Finserve can do in future, okay. I mean, whatever doesn't fit our box, we will not go with it. It's very clear.
- Akhilesh Kumar:** Yeah, it is very clear for you and management, but for the shareholders, it is never a visibility. Either RBI license is coming or ESOP cost is coming or venturing in ideas, but you never warn us like where you want to go take the next step.
- Suddenly guidance has been changed. And before that, you were having full confidence. So, this kind of communication is not going to help. You need to improve on that so that we are better prepared for that.
- Anubhav Gupta:** Fair enough. We will be more prudent and we will improve ourselves. Promise from our side.
- Akhilesh Kumar:** Okay. That's it from my side. And I would hope that you give a better communication to the exchanges so that everybody else is aware of what you are thinking.
- Anubhav Gupta:** Definitely, yes. Thanks so much.
- Akhilesh Kumar:** Okay, thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

Anubhav Gupta: Thanks, everyone for joining this call. I look forward to seeing you again during quarter 4 earnings call. All the points which were raised today, we will take care of those points and address them accordingly.

Moderator: Thank you. On behalf of Equirus Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.