

May 27, 2025

To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Scrip Symbol: MANBA	To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400 001 Scrip Code: 544262
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Sub: Transcript of conference call held in respect of the Financial Results for the quarter and year ended 31st March, 2025

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations')

Dear Sir / Madam,

In furtherance of our letter dated 12th May, 2025 for Analyst / Investor Earning Conference Call and in pursuant to Regulation 30 and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, enclosed herewith the transcript of the Earning Conference Call with the Investors and Analysts held on Friday 23rd May, 2025 at 04.00 P.M. (IST) to discuss the operations and financial performance for the quarter and year ended on 31st March, 2025.

The transcript of the earning conference call will be available on the website of the Company at: www.manbafinance.com

You are requested to take the above on record.

Thanking You.

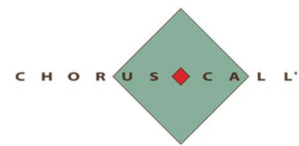
For Manba Finance Limited

Bhavisha Jain
Company Secretary and Compliance Officer

Encl: As above



“Manba Finance Limited
Q4 FY '25 Earnings Conference Call”
May 23, 2025



MANAGEMENT: **MR. MANISH SHAH – MANAGING DIRECTOR – MANBA
FINANCE LIMITED**
**MR. JAY MOTA– EXECUTIVE DIRECTOR AND CHIEF
FINANCIAL OFFICER – MANBA FINANCE LIMITED**

MODERATOR: **MR. MAHEK SHAH– EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY '25 Earnings Conference Call of Manba Finance Limited, hosted by Emkay Global Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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 Mr. Mahek Shah from Emkay Global Financial Services. Thank you and over to you, sir.

Mahek Shah: Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Manish Shah, Managing Director, Mr. Jay Mota, Executive Director and Chief Financial Officer. I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

Manish Shah: Yes. Hi, I am Manish Shah, the Managing Director. Good evening all, everyone and thank you for joining Manba Finance Limited's earnings call today to discuss the fourth quarter and full year performance of financial year 2025. I would also like to thank Emkay Global for hosting this earnings call.

In the interest of some of the people who are new to the company, let me first start with by giving a brief overview of the company and operational highlights, followed by which our CFO will brief you on the financial performance for the quarter and financial year 2025.

Manba Finance Limited is an NBFC offering a range of financial solutions, including loans to new 2-wheeler, 3-wheeler, used cars, small business loan, top-up loan and used 2-wheeler loans. We are currently operating in 73 locations across 6 states, precisely Maharashtra, Gujarat, Rajasthan, MP, Chhattisgarh and UP.

Our distribution network includes over 1200 plus dealers. We have secured funding from three public sector banks, nine private sector banks and 25 NBFCs. We have a total team size approximately of 1,483 employees, out of which more than 700 employees are part of our sales team.

Our internal collection team ensures lowest NPAs in the industry. The company commands one of the fastest turnaround times for loan sanctions in the industry with over 60% of loans sanctioned in one minute and 92% of loans sanctioned on the same day.

Some key operational highlights for the period under review. We have increased our provisioning coverage ratio by 4%, a strategic move driven by tightening of credit norms. This step is part of our broader commitment to reducing risk and ensuring long-term financial stability and strengthening our balance sheet. Additionally, we have consistently maintained a healthy liquidity buffer of approximately INR100 crores at all times during the year, reinforcing our financial resilience and operational readiness.

Now, coming to business highlights for the period. During this quarter, we are excited to announce our partnership with BGauss Auto Private Limited. We will provide retail financing to their customers. Through this collaboration, we will offer financing solutions to customers who are purchasing BGauss products, making it easier for them to access the finance they need.

Further, our partnership with Prosperity provides us with an advanced digital platform to streamline credit flow, improve risk management and support the growth of electrical vehicles. Additionally, our collaboration with Fin Coopers Capital enhanced our vehicle financing options, offering competitive rates and faster approvals.

This alliance will help expand our presence in Madhya Pradesh, strengthen our dealer network and make EV financing more accessible to potential buyers.

Moderator: Sir, sorry to interrupt. Sir, your voice is breaking in between.

Manish Shah: The Company also achieved a record high disbursement of INR842 crores in the financial year '25, marking a significant increase from INR633 crores in '24. This resulted in strong growth with improvement in NIMs due to usage of equity proceeds from IPO for loan disbursements. Now, I request our CFO Mr. Jay Mota to brief you on the financial performance.

Jay Mota: Thank you, Manish, Sir. And good evening, everyone. Let me provide a brief overview of the financial performance for the fourth quarter and full financial year 2025. For the fourth quarter under review, our net interest income stood at INR36.5 crores, reflecting a 38% year-on-year growth with net interest margin at 13.62%.

Profit after tax for the quarter is around INR8 crores. For the financial year 2025, the company recorded net interest income of INR129 crores, representing a 49% year-on-year growth with net interest margin of 14.03%. Profit after tax stood at approximately INR38 crores with a year-on-year growth of 21%.

As on 31st March 2025, our asset under management stands at INR1331 crores, reflecting a year-on-year growth of 42%. Loan disbursements for the financial year were INR842 crores, reflecting a year-on-year growth of 33%.

The cost of borrowing currently stands at 10.80%. We have successfully reduced our GNPA to 3.23% and NNPA to 2.45% as on 31st March 2025. And our capital adequacy ratio has improved to 29.81% due to funds raised in our IPO highlighted a greater financial stability. With this, we can now open the floor for the question and answer session.

Moderator: Thank you very much. The first question is from the line of Nemin Doshi from Geojit PMS. Please go ahead.

Nemin Doshi: Yes. Hi, team. Thanks for this opportunity. I have a few questions. Firstly, what led to the slower single-digit QoQ growth in AUM for the quarter? And in continuation with them, QoQ increase in interest income was lower than AUM growth. On contrary, our average yields on loans have increased from 20.76% in 9 months to 24.09% for the full year. So, what am I missing here?

- Manish Shah:** Yes. Can you just repeat? Your first question is?
- Nemin Doshi:** What led to the lower QoQ growth in AUM?
- Manish Shah:** Q3 to Q4, right?
- Nemin Doshi:** Yes.
- Manish Shah:** AUM, this is our seasonal month where in the October, November mainly, 2 wheeler generally mostly sells more in Ganpati, Dussehra and Diwali. In Jan, Feb, March, there are hardly any festivals were there. And as our AUM has been already grown by 40%, more than 40%, so there is a lot of inflow of, you know, repayment is also there from the same loan which we have disbursed in last few months.
- So, inflow and outflow, we have been managed and we are strengthening our, you know, some credit norms also. So, that is, those are the and still we have grown by marginally INR31 crores of AUM in these 3 months also. Generally, historically also our AUM growth generally happens in the seasonal month also from last 4 years, numbers you can also verify.
- Nemin Doshi:** Okay, okay. Secondly, sir, our the QoQ interest, increase in interest income was lower than our AUM growth, while on contrary our average yields on loans increased for the 9 months from 23.76% to 24.09% for the full year. So, what's the gap, what am I missing here?
- Manish Shah:** It is increased, right?
- Nemin Doshi:** Yes, yes. So, your loan growth has increased by about 2% while your interest income has only increased by 1%. This suggests that there would be a decline in average yield, but however our yield for the quarter has also improved. So, what led to a lower interest income growth than our AUM growth on a quarterly basis?
- Jay Mota:** Sir, see, whatever business we have done, it was done in the Q3. So, the income which we have received on this major portfolio was from Q3 to Q4. It was not for the entire year. So, that's why when you take the average, it will be like some lower range. Okay, so entire Q3 income we have started receiving in Q4.
- Manish Shah:** And our cycle date is 5th of next month. So, all the cases, all the loans which have been disbursed till 20th of the month, after 20th of the month, say for example 21st of the month, they get a first repayment date next to next month's date. So, that comes to quarter 4. So, that's why that gap has been visible.
- Nemin Doshi:** Okay, okay. Next on, sir, a few data keeping questions. Sir, there has been an increase in our other expenses for about 7% QoQ. So, what has led, I mean, sorry, not 7%, it has 31% QoQ. So, what led to this increase?
- Manish Shah:** So, about the, Yes.
- Jay Mota:** So, QoQ, the major increase in the expense was due to the increase in PCR. We have increased our PCR from 20% to 24% on the stage 4 asset, stage 3 asset. So, in that case, the 4% increase

has costed around INR2.30 crores. And secondly, there was a ARC revaluation of the ARC asset, due to which we had to provide for a INR1 crore in that case.

Manish Shah: INR1 crores 8 lakhs.

Jay Mota: INR1 crores 8 lakhs. So, due to which the INR3 crores expense was higher.

Nemin Doshi: Sir, but that would be reflected in our provisions, right? And not in our operating expenses. I am talking about other expenses specifically.

Jay Mota: Operating expense, we have increased around INR1.08 crores only. And rest, there was a INR75 lakhs expense was because of something. Operating expense QoQ, there was major change was only due to...

Manish Shah: Only the ARC expense.

Jay Mota: This is the INR1.08 crores.

Nemin Doshi: Okay, okay. And lastly, sir, our other operating expense, income has also declined. So, what was this?

Jay Mota: So, the other income is also connected, linked with the business only. So, it was like processing fees in which we have received. During the Q3, there was a good business, means higher business due to the season. It was INR326 crores. And in quarter 4, we have done a disbursement of INR171 crores. So, there is a INR1.25 crores decline due to the processing fees.

Manish Shah: So, the upfront income which we used to get at the time of disbursement, that is almost 50% in this quarter.

Nemin Doshi: Okay, okay.

Manish Shah: Because of the disbursement, and INR171 itself is a good number. But when you compare it with the season quarter, then it looks like this.

Nemin Doshi: Perfect, sir. Perfect. Got it. Thanks. Thank you a lot. Thank you.

Moderator: Thank you. We'll take our next question from the line of Vishal Bhalada, who is an individual investor. Please go ahead.

Vishal Bhalada: Sir, wanted to know, what is the market share of Manba for EV financing?

Manish Shah: Yes. So, market sharing in the area of operation, as I directly told that we are in 6 states and with 73 locations. So, in area where we are present, our market share in the EV is around 8%.

Vishal Bhalada: 8%. Okay. And, sir, what are the plans to increase them? Like, would it be geographically you are going to expand and also at the same time, like, adding new dealers in the same locations?

Manish Shah: Yes. So, because we have started some of the locations in last 18 to 24 months only, so we would like to further penetrate the existing locations first. So, the geography expansion will not take

place in the next first 9 months. After the season gets over, we will start about the new geography expansion.

Because there is a huge potential available because we have not reached, you know, in some of the locations like UP, like MP, Chhattisgarh, our market share is only 3% to 4%. There is a huge potential to penetrate further in the same locations.

Vishal Bhalada: Okay. Sir, my last question is, which is the most revenue generating state for you?

Manish Shah: So, revenue generating most state is Maharashtra and second is Gujarat.

Vishal Bhalada: All right. Thank you so much, sir.

Moderator: The next question is from the line of Tushar, who is an individual investor. Please go ahead.

Tushar: Hi, sir. I have just few questions to ask. The first one is basically that the company is having lowest NPAs in the industry. So, I just wanted to know how the company is managing its assets different than its peers to maintain such a lowest NPAs, you know, amongst the peers?

Manish Shah: Yes. So, there are a couple of, you know, things which attach to this, that we have an in-house, you know, collection team who collects almost 85% of our total bounced EMIs. And we have a separate team for non-starter and early defaulters. So, where, you know, we come to know from the very initial part that what's wrong with this customer.

As well as there is a sufficient manpower, you know, given for each data allocation. We utilize a lot of AI-generated weapons only for, you know, quick solution. And we also take the help of legals also. And these are the few things, because the main in-house collection plays a very, very vital role. And early defaulter treatment plays a very vital role for the lowest NPA.

And on the other hand, we are very, very careful in sanctioning the loans also. We always believe that we require minimum 20% of customer equity. So, if that is the case, then it is, you know, very less chance then he will bounce and he will not serve the EMIs. So, both the way we take a care. First, by sourcing the business, and second, you know, into collections.

Moderator: Thank you. We'll take our next question from the line of Sanjeev Damani from SKD Consulting. Please go ahead.

Sanjeev Damani: Namaskar. Am I audible?

Moderator: Yes.

Manish Shah: Yes, yes.

Sanjeev Damani: One question is regarding the fact that you are holding a bank balance of INR111 crores in the asset side.

Manish Shah: Right.

Sanjeev Damani: So, that means, sir, we are carrying lot of cash in our books always or this is at year-end that we have got such a big amount.

Manish Shah: Yes. So, we always keep a high liquidity at least for 1.5 month's business development amount in hand.

Sanjeev Damani: Okay. Okay, sir.

Jay Mota: And also what we have in the past experienced, we had like in the month of April due to the transfer and everything we get some lesser sanctions from the bankers and the NBFC. So, that's why we used to keep some higher liquidity at the end of the March to avoid any mismatch in the cash flow.

Sanjeev Damani: Okay, okay. Secondly, sir, I mean, I have seen your presentation and if I am not mistaken you are giving loans against old and new vehicles. Are you also into housing finance or are you intending to go into housing finance or finance against properties then gold loans and all other things, sir? So, I just want an answer for that.

Manish Shah: Yes. So, first of all, we are not into gold loans. We are into vehicle loans, 2-wheeler loans, 3-wheeler loans, used car loans, top-up loans and the small business loan. So, so far company has not sanctioned and disbursed a single gold loan, number one. Number two, in near future company has no plans to go for home loans or loan against property.

Sanjeev Damani: Okay. Gold loan also, can we start or are we thinking to start?

Manish Shah: Yes, that is gold loan and loan against property are, you know, under the consideration, but not before the season. This season, that is up to November.

Sanjeev Damani: Up to November. So, but and it is not difficult to start that business or we have to take RBI approval or some formalities are involved or you can start it any day that way.

Manish Shah: Yes. So, as far as loan against property is concerned it is easy to start. There is no need to any specific permission from RBI. But for the gold loan we have to explore and we have to consult our consultants.

Sanjeev Damani: Okay. Sir, one more thing I want to ask that sir, out of our loan books how we are accounting for NPA in the sense that bankers are required some 90 days or something when they do not receive interest or installment three or four installment then they transfer it to NPA. So, how do we close on closing of the year how do we account for NPA?

Manish Shah: We are giving the same treatment recognizing on the 90 plus days.

Sanjeev Damani: Okay. So, installment not received up to 90 days and interest not received up to 90 days is accounted as NPA. So, whole amount is transferred to NPA sir? Whole amount of...

Manish Shah: Yes. When we talk about the NPA then it is a of course principal outstanding on that day.

Sanjeev Damani: Okay. Thank you very much and all the best. Sir, you are running a very good show as a private financier and I appreciate that you are putting lot of efforts and lot of competition is there in this line, but still you are surviving and growing, sir. So, all the best from my side.

Manish Shah: Thank you very much.

Moderator: Thank you. The next question is from the line of Mohit Upadhyay, an individual investor. Please go ahead.

Mohit Upadhyay: So, hi sir. First of all congratulations on the good set of numbers and just wanted one clarification on the return on assets which has decreased from quarter on quarter, so any specific reason or reason why the return on asset has decreased?

Jay Mota: No, there is no not a major decrease it is decreased from 3.18 to 3.10 and it is because of the higher liquidity and everything we have kept at the end of the year that's why there is a slight decrease in the return on asset.

Mohit Upadhyay: Okay, okay. Thank you so much sir and all the best. Thank you.

Manish Shah: Thank you.

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

Manish Shah: Thank you all for participating in this earning call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company please reach out to our IR managers at Valorem Advisors. Thank you, thank you very much and once again thank you Emkay Global for organizing this earning call.

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