

**February 02, 2026**

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 nine months ended 31<sup>st</sup> December, 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 January 22, 2026 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, 30<sup>th</sup> January, 2026 at 04.00 P.M. (IST) to discuss the operations and financial performance for the quarter and nine months ended on 31<sup>st</sup> December, 2025.

The transcript of the earning conference call will be available on the website of the Company at: [www.manbafinance.com](http://www.manbafinance.com)

You are requested to take the above on record.

Thanking You.

**For Manba Finance Limited**

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**Bhavisha Jain**  
**Company Secretary and Compliance Officer**

**Encl: As Above**



“Manba Finance Limited Q3 FY '26 Earnings  
Conference Call”

**January 30, 2026**



**MANAGEMENT: MR. MANISH SHAH – MANAGING DIRECTOR, MANBA  
FINANCE LIMITED**

**MR. JAY MOTA – EXECUTIVE DIRECTOR AND CHIEF  
FINANCIAL OFFICER, MANBA FINANCE LIMITED**

**MODERATOR: MS. HELI SHAH – ARIHANT CAPITAL**

**Moderator:** Ladies and gentlemen, good day and welcome to Manba Finance Limited Q3 FY '26 Earnings Conference Call hosted by Arihant Capital Markets Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing ‘\*’, then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Heli Shah from Arihant Capital Markets Private Limited. Thank you and over to you, ma'am.

**Heli Shah:** Hello and good afternoon to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining in to Q3 and 9 Months FY '26 Earnings Conference Call of Manba Finance Limited.

Today, from the Management, we have Mr. Manish Shah - Managing Director and Mr. Jay Mota - Executive Director and Chief Financial Officer. So, without any further delay, I will hand over the call to Mr. Manish Shah for his opening remarks. Over to you, sir.

**Manish Shah:** Thank you, Heli. Good evening, everyone and thank you for joining our earnings call today to discuss the performance for the 3rd Quarter and 9 months of the Financial Year 2026. I would also like to thank Arihant Capital for hosting this Earnings Call.

Let me first start by giving a brief overview of the company and operational highlights followed by with our CFO will brief you on the financial performance for the 3rd Quarter and 9 months ended Financial Year '26. Manba Finance Limited is an NBFC offering range of financial solutions including loans to new two-wheeler, three-wheeler, used car, small business loan, top-up loan and used two-wheeler loans.

We are currently operating in 113 locations across 6 states, precisely Maharashtra, Gujarat, Rajasthan, MP, Chhattisgarh, and UP. Our distribution network includes over 1400 plus dealers. We have secured funding from 3 public sector, 10 private sector banks and 23 NBFCs. We have a total team size of approximately 1700 employees, out of which more than 700 plus employees are a part of sales team. Our internal collection team ensures low NPAs in the industry. The company commands one of the fastest turnaround times for loan sanctions in the industry with over 60% of our loans sanctioned in 1 minute and 92% loans sanctioned within a day. Lastly, during the quarter, we also entered into a strategic MoU with TVS Motor Company enabling deeper collaboration across the dealer ecosystem and enhancing our reach in the three-wheeler financing segment.

In conclusion, the quarter under review reflects the strength and resilience of our business model with healthy growth in AUM and disbursement, stable asset quality, strong liquidity and a well-

capitalized balance sheet, supported by robust demand trends, disciplined risk management and strategic partnership. We remain confident in our ability to deliver sustainable and profitable growth and long-term value to our stakeholders.

Now, I request our CFO Mr. Jay Mota to brief you on the financial performance. Over to Jay.

**Jay Mota:**

Thank you, Manish sir.

Let me provide a brief overview of the financial performance of the 3rd Quarter and the 9-month of the Financial Year 2026:

As of December 31, 2025, our asset under Management stood at Rs. 1,631 crores reflecting a robust year-on-year growth of 25%. Our total balance sheet size stood at Rs. 1,771 crores. During the period, we have achieved a record high disbursement of Rs. 746 crores compared to Rs. 672 crores in the same period last year. The strong performance was primarily driven by encouraging demand in the two-wheeler segment, supported by the continued expansion of our dealer network and addition to the new location during the quarter.

For the 3rd Quarter under review, our net interest income stood at Rs. 42 crores reflecting a growth of 17% year-on-year. The profit after tax for the quarter was Rs. 13 crores demonstrating a healthy profitability. For the 9 month of the Financial Year 2026, the company reported net interest income of Rs. 110 crores representing 19% year-on-year growth supported by steady loan growth and improved funding efficiencies. We continued to deliver healthy profitability with net interest margin at 12.65% supported by gross yield of 22.80%. Profit after tax for the period stood at Rs. 34 crores marking an increase of 15% year-on-year basis reflecting our focus on the sustainable and profitable expansion.

We delivered season's highest disbursement of Rs. 347 crores in the quarter which was 48.90% increase in quarter-on-quarter. We also added 37,500 new customers taking our total live customer base to over 2 lakhs. The momentum was driven by the festive demand expansion of the branch location and deeper penetration in the key market. We further expanded our presence across Uttar Pradesh, Madhya Pradesh strengthening our portfolio in these states.

Turning to the portfolio mix:

Our exposure was primarily to the core Manba business at 92.35% with co-lending partnership DA and BC arrangement accounting for 3.89%, 3.01% and 0.75% respectively.

Talking about the product mix for the period under review, two-wheeler accounted for 85.91%, small business loan for 4.22%, top-up loan 4%, three-wheeler 3.05% and used vehicle loan 1.38%. This clearly demonstrates that over 95% of our portfolio remains secured.

Our asset quality continues to remain well under control. As at the end of the quarter, gross NPA stood at 3.38% while net NPA was 2.57%. Credit costs remained extremely stable with the losses consistently below 1%, reaffirming the strength of our collection engine and quality of our underwriting process.

On the provisioning front:

We continued to maintain prudent trends. Our expected credit loss provision stood at around Rs. 21 crore compared to IRF requirement of Rs. 13 crore resulting in a healthy excess buffer. Further, our capital adequacy ratio remained healthy at 25.06%, well above the regulatory requirement, providing ample headroom to support future growth. Importantly, as per the structure ALM statement filed with the RBI, the company reported no negative mismatch across any time buckets, highlighting the strength of our liquidity management framework. Our credit profile remains well supported by the external rating, with CARE rating assigning us BBB+ with positive outlook and ACUITE rating assigning us A-.

On the funding side, our average cost of borrowing currently stands at 10.12%, which has gradually declined, benefiting from the improved credit rating and favorable market conditions. On December 2025, Stage-1 asset stood at Rs. 1,522 crore, accounting for 93.30% of the total portfolio, reflecting a strong asset quality. Stage-2 assets were at Rs. 54 crores i.e., 33.32% of the gross asset and remained broadly stable compared to the previous quarter. Gross Stage-3 asset stood at Rs. 55 crores i.e. Rs. 3.38 crore of the gross asset, improving from 3.52% in September 2025, while net Stage-3 asset declined to 2.57% from 2.68%. Overall, the company continues to deliver steady financial performance supported by the healthy margin, controlled credit cost and strong capital position.

With this, we can now open the floor for the question-and-answer session.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Divyam Doshi from 92 Capital. Please go ahead.

**Divyam Doshi:** Hello sir, congratulations on the good set of numbers. I wanted to ask that the borrowing costs have moved up sharply while yields are stable, right? So, how much of this pressure is structured and what is your realistic NIM outlook for the next 2 or 3 quarters?

**Manish Shah:** I didn't get the question. You said the borrowing cost has been reducing and the

**Divyam Doshi:** No. The borrowing costs have moved up from Y-o-Y basis it has moved up, right? And the yields are stable right now. So, how much of the pressure is structured and what is the realistic NIM?

- Jay Mota:** So, borrowing cost is being reduced. It was like earlier it was just a second. Yes, it has been reduced from 10.80 to 10.12. And we are reduced to 10.12 as of December 2025. So, because of the reduction in the borrowing cost, there will be growth in the NIM margin going forward.
- Divyam Doshi:** And one last question. The current NPA is at 3.4%, right?
- Jay Mota:** 3.38, yes.
- Divyam Doshi:** 3.38, right? So, as we are expanding into newer states, so are you tightening your underwriting or taking higher risk to drive disbursement?
- Manish Shah:** Yes. So, basically, we have not added any state this year and neither we are planning to add any new state, but we are just penetrating the state which has just started in last 3 years, that is UP and MP. And in the new state, we always restrict our LTV to 75%, so where there is less possibility of increasing the NPA. And that is how we have been grown in the past also. And that is the reason that on Rs. 100 crores AUM also, our credit loss was less than 1%, and today at a Rs. 1,600 crores of AUM also our credit loss is less than 1%.
- Divyam Doshi:** That is it. Thank you so much, sir.
- Moderator:** Thank you. The next question comes from the line of Sudharsan Nachimuthu from Prosperity Wealth Management. Please go ahead.
- Sudharsan Nachimuthu:** Yes. So, sort of some bookkeeping question. In your presentation, your 9-month borrowing distribution is down from the H1 presentation. So, is it actually come down or is it--?
- Manish Shah:** What you said, borrowing?
- Sudharsan Nachimuthu:** So, Slide #13, your source of funds, the sum is around Rs. 1,350 Cr. So, what is the total outstanding borrowing as of 9M?
- Manish Shah:** Total outstanding borrowing as on December, you want to understand, right?
- Sudharsan Nachimuthu:** Yes.
- Jay Mota:** So, as on December, outstanding was around Rs. 1,350 crores.
- Sudharsan Nachimuthu:** So, it has come down from Q2. That is what you are trying to say?
- Jay Mota:** No. So, what happened, during September, we were at healthy liquidity of around Rs. 400 crores for our seasonal business in the month of October. So, during that period, so going forward from October and November, we have not borrowed any fresh funds. So, that is why the borrowing has come down.

- Sudharsan Nachimuthu:** Then, filing interest cost has gone up around Rs. 8 odd crores?
- Manish Shah:** Interest cost?
- Sudharsan Nachimuthu:** Finance cost?
- Manish Shah:** Finance cost has?
- Sudharsan Nachimuthu:** From finance cost, Q2 finance cost was Rs. 34 Cr, Q3 at Rs. 42. If borrowing has come down and borrowing is stable, your finance cost has gone up?
- Jay Mota:** No. So, major borrowing which we have borrowed in the month of September. We have borrowed around Rs. 300 plus crore in the month of September.
- Sudharsan Nachimuthu:** Last week of September only.
- Jay Mota:** So, that is why the borrowing cost in the month of October was slightly higher. And there is a reduction, around just Rs. 100 crores reduction in the borrowing.
- Manish Shah:** And there is also, if you see the finance charges, then whatever business, major business which we have done in the month of October and November, which first EMI presented only in the month of December. So, the interest income of those cases will start majorly from this quarter. This quarter will get the entire quarter earnings for those seasonal business.
- Sudharsan Nachimuthu:** I think you missed the question. When quarter-on-quarter, your borrowing has come down, how come the finance cost has gone up? So, that is the question?
- Manish Shah:** No, quarter-on-quarter, it has not come down. Only September quarter to December quarter, it has come down because September we have borrowed Rs. 410 crores in one month. And only those out of that Rs. 300 crores plus amount has been borrowed in the last week of September. So, that entire finance cost which has been not put in that September quarter, it has come down to December quarter. And because the season has gone, so we have not borrowed any new fund in the month of October and November. So, that is why, although the borrowing is reducing, but the finance cost is increasing this quarter.
- Jay Mota:** So, borrowing also reduced by just Rs. 100 crores and whatever we have borrowed, means like in Q2, we have borrowed somewhere around Rs. 500 crore extra. So, that interest income for the Rs. 500 crores came up entirely in this quarter 3. That is why the finance cost has been increased.
- Sudharsan Nachimuthu:** Understood. So, you borrowed the major chunk in the lower end of the quarter, so the full year?
- Jay Mota:** Yes, because the season was in the month of October because of Dussehra and Diwali. So, we have to be ready with the funds. So, we were at healthy liquidity of Rs. 400 crores by borrowing

the funds in the month of September. And there is a reduction of hardly just Rs. 100 crores in these 3 months. That is it.

**Sudharsan Nachimuthu:** Understood. Thank you for that. So, is there any particular reason we are concentrating more on NCDs than on term loans? And if you can give us a breakup of what is the term loan borrowing cost and NCD borrowing cost?

**Jay Mota:** So, NCD borrowing cost, you have rightly stated, NCD cost is slightly lower. Right now, we are borrowing at 10.65%. So, in term loan, what we are borrowing, it is at 11%. So, NCD remains the same. And also, we want some of the retail exposure and person means like retail investor should also invest in this bond. So, they can get good income from our side.

**Manish Shah:** And the visibility of the Manba will increase because of the NCD. Because there are only 43 lenders in Manba. They only know how Manba is doing and how they are good in repayment, how they are good in all the performance and governance. So, we want to give more and more exposure to the company, to the retail investors. So, in future, whenever we go for a second round or any capital that time also this activity, this platform will definitely help us. Because by giving Rs. 10,000 of denomination for NCD, you are reaching out to thousands of people.

**Sudharsan Nachimuthu:** Understood. And within that term, how much would be your securitization portion or how much would be actual term loans?

**Jay Mota:** So, securitization portfolio is around Rs. 150 crore as of December. But we are following the NDS. So, it is a part of balance sheet item only.

**Sudharsan Nachimuthu:** Yes, understood. You are not re-recognizing from the balance sheet that I got it. And so, this latest record, is there any pass-through mechanism from bank? Like you mentioned, term is at 11% cost. So, is it repo-linked or MCLR-linked?

**Manish Shah:** So, it is a mixed, some are linked. And as a policy of the company, we keep on doing the PTC transaction around 25%-30% of our total borrowing. So, what happens that is a fixed cost. Whatever we have said and then there is no interest impact is going to come on that. So, now, we are going to start some DA transactions also. So, that is why we are making in this way that around 40%-45% of our total borrowing should be unaffected with the changes in the interest cost.

**Jay Mota:** So, NCD which we are borrowing, it is at fixed cost only.

**Sudharsan Nachimuthu:** Yes, NCD is all right. I was asking about the term loan?

**Jay Mota:** Yes, around Rs. 456 crore is at fixed cost. Then PTC is also at fixed cost only. Apart from this, some of the term loan are also at fixed cost.



- Sudharsan Nachimuthu:** Understood. So, I think I have exhausted the question. I will come back in the queue for questions. Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Rohita S, an Individual Investor. Please go ahead.
- Rohita S:** Hello, sir. Am I audible?
- Manish Shah:** Yes. Please go ahead.
- Rohita S:** Sir, what is our incremental cost of borrowing in Q3 of FY '26?
- Manish Shah:** Incremental cost of borrowing is, as we discussed that we are borrowing NCD at 10.65 and the term loan is around 11%. Our average cost of borrowing is 10.12.
- Rohita S:** And is it further expected to decrease?
- Manish Shah:** Yes. So, every quarter-on-quarter, we are reducing. So, from last quarter to this quarter, it has got reduced. And now we are discussing, we are expecting a big amount of sanction from one of the PSU at a very less rate of interest. So, definitely quarter-on-quarter, this is on a decreasing rate scenario.
- Rohita S:** And sir, any further guidance for FY '27?
- Manish Shah:** So, this will remain a constantly growing company. Every quarter-on-quarter, we are growing. From the day of listing, all the 5 quarters, we have shown our robust growth. And this will keep on continuing.
- Rohita S:** Sir, any number in mind?
- Manish Shah:** So, in my previous calls also, we have discussed and I have told that we will end this FY '26 by Rs. 1,700 crore to Rs. 1,750 max.
- Rohita S:** And, sir, for FY '27?
- Manish Shah:** I will not be able to give you exact number. But, yes, the company is always been focusing on a growth of 25%-30% year-on-year.
- Rohita S:** And sir, we are looking to any more loan products or are we comfortable with 5 products currently?
- Manish Shah:** So, now we are just adding one product. In last call also, we have discussed that we are making a funding policy. Now it is completely ready. We are ready with the team also. On 10th of February, we are launching a LAP, it is a MSME LAP. So, that maximum loan amount will be

20 lakhs. Minimum will be Rs. 5 lakh. So, this is the product which we are, it is in the pipeline to start from February. Rest, we will focus only on 5 products only.

**Rohita S:** And, sir, are we launching LAP in all the states or are we going to start from?

**Manish Shah:** No, selectively. The way we have started small business loan, we started with Mumbai first, then Pune, Nasik, Ahmedabad. Same way, we are starting this LAP with Mumbai and Pune, starting with. Then we will see the 6 months, how it is working, what kind of gaps are there. We will find out the entire process. We stabilize our manpower and the team, and then we will start with Nasik and all.

**Rohita S:** And sir, are we going to expand into more states or want to go deeper in existing states?

**Manish Shah:** No. So, we will not expand state, but we will go deeper in the state, especially in UP and MP.

**Rohita S:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Sarthak Shah, an Individual Investor. Please go ahead.

**Sarthak Shah:** Yes. Good evening, Manish Shah. So, I think you had earlier guided off Rs. 100 crores profit in next financial year, Financial Year '27. Am I right? Does it still hold true?

**Manish Shah:** No, we have not told Rs. 100 crores. It was at 27-28. So, next year, we are targeting anything around Rs. 65 crore to Rs. 70 crore. And after that, it will be.

**Sarthak Shah:** That is nice. So, that would be approximately ROA for next year would be around, can you guide that?

**Manish Shah:** 3.25-3.5.

**Sarthak Shah:** And so, that would be ROE of around 15%. That is right?

**Manish Shah:** ROE of 14%-15%. Right.

**Sarthak Shah:** Right. That is it from my side. Thank you.

**Moderator:** Thank you. The next question comes from the line of Sudharsan Nachimuthu from Prosperity Wealth Management. Please go ahead.

**Sudharsan Nachimuthu:** Hi. Thank you for the opportunity again. You mentioned you will be starting direct assignment transaction shortly. So, is there any internal target? How much would be the quarterly run rate you will be targeting? And what would be the spread you will be keeping and what would be the portion you will be assigning?

**Manish Shah:** So, this is everything is under discussion. So, we will do one transaction in this quarter.

**Sudharsan Nachimuthu:** And would you like to comment on the spread you would like to keep?

**Manish Shah:** Spread? You are asking about the?

**Sudharsan Nachimuthu:** So, you will be assigning at a certain ROA, right? Like, we charge 22% for the client and we will assign it at, let us say, 10%-11% yield to the ROA.

**Manish Shah:** Yes. See, our pool is good. So, we are expecting around to get it at around 10%.

**Sudharsan Nachimuthu:** And you will de-recognize the asset, right, from the balance sheet?

**Manish Shah:** Yes.

**Sudharsan Nachimuthu:** And on the secured LAP product, you mentioned you will be starting it. So, what kind of yield expectations are you targeting internally for this product?

**Manish Shah:** 19-20.

**Sudharsan Nachimuthu:** And which state are you trying to start?

**Manish Shah:** We are starting Mumbai and Pune first.

**Sudharsan Nachimuthu:** That is it from my end.

**Moderator:** Thank you. The next question comes from the line of Sampatraj, an Individual Investor. Please go ahead.

**Sampatraj:** Hello, sir. Good evening.

**Manish Shah:** Yes. Good evening.

**Sampatraj:** Yes, I just wanted to understand how is the mix between new and used vehicle loans evolving? And do you expect any shift in this competition going forward?

**Manish Shah:** No. So, we are gradually focusing for used two-wheeler because now it is becoming a little organized market. So, used two-wheeler we are focusing and month-on-month our disbursement are also increasing. It will help us in improving our average yield on the AUM also. But the shift will not be very visible because it will, today it is 98% is new and 2% is used two-wheeler, but it can go up to 10% because it cannot go beyond that. And in used two-wheeler, there is less competition also. So, we gradually may start focusing on that.

- Moderator:** Thank you. The next question comes from the line of Sudharsan from Prosperity Wealth Management. Please go ahead.
- Sudharsan:** Yes, sir. On the used two-wheeler front, is it like targeting separate dealers over and above the OE dealers you have or is it the same kind of dealer pool? You deal with the exchanged vehicles?
- Manish Shah:** No, it is a completely separate set of dealers who are completely active in the used two-wheeler business only.
- Sudharsan:** And how is the existing competition in this used two-wheeler? Is it more local players or do you see any organized guys?
- Manish Shah:** No. There is IDFC is also very active in the used two-wheeler. Over and above IDFC, there are very few players. Now, some people have started. WheelsEMI also one of the good players. But recently they are not doing at all the locations. These are the only 2-3 players.
- Sudharsan:** And given the current BC reduction and used two-wheeler being lower end of the value, so what would be the ticket size and the LTV you will be targeting?
- Manish Shah:** Yes, so ticket size will be around 55,000. And LTV, we take the OBV as the base. And from the OBV, it will be around 75%-80%.
- Sudharsan:** And how about used four-wheelers, passenger four-wheelers? Are we targeting that too?
- Manish Shah:** Yes, used four-wheeler we have started. But because of the competition and because of our cost of borrowing is at 11 and ask at used four-wheeler is around 16 IRR and we are lending around 17-18. So, the kind of growth which we are expecting that is not happening. So, we are planning to have a co-lending partner for the used car, which we are discussing with the two lenders. And hopefully by this quarter, we should get at least with the one tie up. And after that, we will be able to push the used car financing in a big way.
- Sudharsan:** And on the OPEX part, currently, I think we are around 5.6% against AUM. Given these new products you guys are launching and since they are being in your home state, are we to assume that your costing OPEX to AUM ratio would be stable going forward? Or is there any room for higher escalation in this part?
- Manish Shah:** No, it will remain stable because the AUM spread will increase, so that is why.
- Sudharsan:** And I think we had a conversation earlier like there will be some sort of equity fundraising on cards. So, is there any time frame you guys are finally that you want to raise it?

- Manish Shah:** So, yes, we are thinking of in the second quarter of the next year, or maybe 3rd Quarter. It all depends upon the market scenario. We all know market is not doing well. So, it can be shift here, one quarter here and there, but definitely next year, we will raise the capital.
- Sudharsan:** And in terms of OPEX, your current region per employee is around 9.6 million. So, what would be the steady state trajectory when you want to model it?
- Manish Shah:** Please come again.
- Sudharsan:** AUM per employee?
- Manish Shah:** AUM per employee, yes. Obviously, that will keep increasing. And then again once when we are starting a new location like UP, next year, we are adding almost 18-20 new locations. And we are adding almost 100 plus employees over UP. So, again, it will dip for a momentary, but eventually, this will keep on growing.
- Sudharsan:** Understood.
- Moderator:** Sorry to interrupt.
- Sudharsan:** Yes, I will get back to you. Thank you.
- Moderator:** Thank you. The next question comes from the line of Jinal, an Individual Investor. Please go ahead.
- Jinal:** Hello. Sir, actually, I just wanted, like, I just had two questions. First, that with the PCR at 24%, well below the 40%-60% industry average. So, how do you see that? Like, do you need to strengthen the provisions in the coming quarter? So, what is your take on it?
- Manish Shah:** Yes. So, basically, we have been kept 24% because our credit loss historically is less than 1%. But still, as already Jay mentioned that as per the RBI guidelines, we are much ahead of what we are supposed to. But as you rightly said, that industry is generally doing for 40%. We are gradually increasing. It was 10%, then made it 13%, 16%, 20%, and 24%. And this quarter, we are expecting that this quarter the profitability will support much. And we are also going to do one DA transaction also. So, then we will strengthen our balance sheet by making it from 24%-25% or maybe 26%.
- Jinal:** Got it. Very helpful. Thank you. Also, secondly, several peers are aggressively expanding into the commercial vehicle financing space. So, how do you see this trend and what is your stance in this segment?
- Manish Shah:** Yes. So, commercial vehicle is a completely, it is a very different product. You have a different set of resource partner, different set of collection also. Because predominantly, since many years,

we are into two-wheeler. And gradually we are shifting to three-wheeler. We are adding three-wheeler used car also. So, in recent time, we don't think that we will add this in our product portfolio.

**Jinal:** Got it, sir. Thank you so much. That was all from my side.

**Moderator:** Thank you. The next question comes from the line of Devansh Shah of Eternal Capital. Please go ahead.

**Devansh Shah:** Yes. Hi, sir. Thank you so much for the opportunity. So, in my opinion, your capital adequacy ratio is really healthy. So, what is the plan to deploy capital and maximize the returns without compromising the asset quality for the future?

**Manish Shah:** So, capital adequacy today, as you rightly said, it is healthy. But as a policy, we don't want to leverage more than 4 times. We already reached 3.37. So, 4-4.25 that is what max we would like to go. Although we can go up to 5.5 or 6 times also. But as a policy, just to, in any kind of scenario, companies should be protected with all kind of natural calamity or anything. So, we will try to remain at 4 times. And by the time it will reach, we will reach for 4-4.25, we will definitely bring new capital.

**Devansh Shah:** Right, sir. So, that is a good strategy. Sir, I just wanted to understand another thing. Sir, you are doing a lot of business corresponding partnerships as far as I understand it. So, have you started making any meaningful contribution to the profitability from these particularly?

**Manish Shah:** Yes. So, this has been just started in this year only. We have added 8 partners. Month-on-month now, disbursement has reached to Rs. 4 crores. And we are giving this at around 16 IRR. So, we are making a decent gap of 4%-4.5% to maximum 5%. There is no OPEX, hardly OPEX and absolutely there is no credit loss.

**Devansh Shah:** Right, sir. Got it. That is it from my side, sir. Thank you so much for the clarity.

**Moderator:** Thank you. The next question comes from the line of Tushar, an Individual Investor. Please go ahead.

**Tushar:** Hello, sir. Thanks for the opportunity. Sir, actually I have just a few questions. First one is on the front of the recently signed MoU with TVS Motors. So, basically, sir, what implemented disbursement potential do you see over the next?

**Moderator:** Sorry to interrupt, Mr. Tushar, you are not audible. We can't hear you properly.

**Tushar:** Hello. Am I audible now, sir?

**Manish Shah:** Yes.

**Tushar:** The first one is on the front of MoU, which we have signed with TVS Motor. So, just wanted to ask what incremental disbursement potential do you see, let us say, over the next 12-24 months? And will this change the overall product mix meaningfully?

**Manish Shah:** Yes. So, three-wheeler TVS, presently they are having almost 200 dealers across India. And the state in which we are operating, that is 6 states, they have almost 138 dealerships. So, we are targeting to add 20 dealerships every month. So, we have already added in the January was being the first month. So, we started recruiting people. We have added 8 dealers. And we hope that in the next 2 quarters, we will replace it at least 75 dealerships. And we are expecting per dealer Rs. 15-Rs. 20 lakh of business. And going further up at around 12 months and what we are talking about 18-24 months, the disbursement, what we are expecting is around Rs. 250-Rs. 300 crores. So, the way AUM will go to, for example, Rs. 3,000 crores year-on-year after increment, this will formulate around 10% of the total. So, product mix will slightly increase if our TVS venture goes successfully fine.

**Tushar:** Thanks.

**Moderator:** Sorry to interrupt, Tushar. You are not audible.

**Tushar:** Yes. Sir, I was asking EV financing is currently the stated focus area. So, what is our current share of EV loans in AUM? And how do we see asset quality compared with conventional ICE vehicles basically?

**Manish Shah:** Yes. So, our total EV out of the entire industry, EV contribution is 7%-8%. In our portfolio also, the EV contribution is around, similarly same 7%-9%. As far as the performance is concerned, the two-wheeler EV is performing better, especially in these 4 brands like TVS iQube, Ather, then Ola and Chetak. These four vehicles are doing phenomenal. But as far as EV three-wheeler is concerned, there are some manufacturers who has been passenger rickshaw e. So, local manufacturers, but their vehicles are not to that standard. And after one year, it has started giving issues. So, we also find some issues in collections also in the EV three-wheeler passenger vehicles. So, I will say it is a mixed scenario so far.

**Tushar:** Thank you. That is from my side.

**Moderator:** Thank you. The next question comes from the line of Abhishek, an Individual Investor. Please go ahead.

**Abhishek:** Hi, sir. Sir, I have two questions. While the net interest income and total income have grown, the profit for the quarter has not increased proportionately. So, can you just explain the divergence for this factor?

- Jay Mota:** So, as we said earlier also, the business which we have done in the month of October, the main income will start coming from the month of December. So, this quarter onwards, you will see the increase in the net profit margin also.
- Manish Shah:** Major disbursement of Rs. 347 crores out of Rs. 740 crores has happened in this quarter only. And the income of this disbursement will start majorly from January. So, January, February, March, definitely will have a good interest income.
- Abhishek:** I had another question. So, how does the management plan to diversify its geography presence beyond the 6 states that are existing given that in previous quarter we had discussed, we will be planning expansion in next Financial Year?
- Manish Shah:** Yes. So, presently we are focusing to go deeper in the state where we are present, especially after getting a very good response in the UP. We are now very much focusing on UP and as well as the same good response we are getting from MP also. So, in spite of opening a new state, we will further go deeper in the state where we are existingly operating.
- Abhishek:** Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, we now hand the conference over to the management for closing comments. Thank you and over to you, sir.
- Manish Shah:** Yes. 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 Manager, Valorem Advisors. Thank you very much. Thank you very much to Arihant Capital and Valorem for organizing this earning call. And hope we have been able to justify the query and the question raised by the participants. Thank you. Thank you very much.
- Moderator:** Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.