

Date: May 09, 2025

To,

**National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Mumbai-400051
Scrip Symbol- SRGHFL**

**BSE Limited
1st Floor, P.J. Towers,
Dalal Street,
Mumbai-400001
Scrip Code – 534680**

Dear Sir/Madam,

**Sub: - Transcript of the Earnings Conference Call for the Quarter and Financial Year
ended March 31, 2025**

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with respect to our letter dated April 29, 2025 please find enclosed the transcript of the Earnings Conference Call of the Company for the Quarter and Financial Year ended March 31, 2025 held on Monday May 5, 2025.

This is for your information and record.

Thanking You

With Regards

For SRG HOUSING FINANCE LIMITED

**Divya Kothari
Company Secretary
M.No:- A57307**

Enclosed: -a/a



SRG Housing Finance Limited

Q4 & FY25

POST EARNINGS CONFERENCE CALL

May 5, 2025 04:10 PM IST

Management Team

Mr. Vinod Kumar Jain, Managing Director

Mr. Ashok Modi, Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, I welcome you all to the Q4 and FY25 Post-Earnings Conference Call of SRG Housing Finance Limited.

Today on the call from the management, we have with us Mr. Vinod Kumar Jain, Managing Director and Mr. Ashok Modi, Chief Financial Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business and performance highlights for the quarter and year-ended 31 March 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Vinod Kumar Jain:

Jai Jinendra. I welcome you all to the Q4 and FY25 earnings conference call. In FY25, the company has achieved the INR759 crore AUM target, against our target of INR750 crores. In FY25, with the growth of 7.4%, there has been a disbursement of INR305 crores, which was INR284 crores last year. With a 26% growth in our loan book, in FY25, to INR759 crores, which was INR601 crores last year.

In FY25, our total branches have increased to 90, which was 67 last year. Profit before tax was INR30 crores, which was INR26 crores last year. PAT was INR24 crores, which was INR21 crores last year. In PAT there has been a 14% growth in comparison to last year. Total income with a 22% growth was INR155 crores, which was INR127 crores last year. Net interest income was INR72 crores, which was INR59 crores last year. Net worth was INR264 crores, which was INR159 crores last year.

EPS was INR17, which was INR15 last year. .../ In FY25, housing loan was 73% and loan against property was 27%. Salaried loan was 26% and self-employed loan was 74%. Our 100% loan book is secured against property. The average ticket size of the housing loan book is INR8 lakhs and the average LTV is 44%.

Gross NPA was 1.84%, which was 2.29% last year. Net NPA was 0.61%, which was 0.69% last year. The company has maintained a healthy spread of 10%. With this, the net interest margin of the gross loan book has been 10.63%. In FY25, we have done a total fund raise of INR274 crores. We have raised INR194 crores from the lender, of

which 30% are from the bank and rest from FI, and INR80 crores have been raised through equity. The outstanding borrowing of the company was INR584 crores, which was INR491 crores last year. Of that 46% the company has borrowed from the bank, 48% from the FIs and 6% from the National Housing Bank. The company's liquidity is strong and the liquid funds in the company have been INR55 crores. Our ALM position has also been comfortable. With this, I thank you all very much. Now you can ask any questions you want.

Question-and-Answer Session

Moderator: Thank you sir. All those who wish to ask a question may use the option of raise hand. In case you are unable to raise hand, you can put your message in the chat box. Sir, a question has come in the chat from Mr. Aditya A. A few quarters before, we used to do an ROA of 3.5%, but lately due to higher cost-income ratio and higher credit cost of 60 bps, our ROA has reduced to 3%. What is your outlook on this going ahead?

Vinod Kumar Jain: The ROA is 3.17% which was 3.56% in March, and the reason for the decrease in ROA is that when the equity increases, the ROA will also decrease.

Moderator: Sir, he wants to know what your outlook for the future is. Our ROA has fallen from 3.5% to 3%. What is your thought process for the future?

Vinod Kumar Jain: Sir, the ROA has reduced due to the increase in equity, but the expansion plan and the growth of the business and the growth of the PAT, the ROA should cross the 4% which has been taken by the equity, and it will cross 3.5% in the next year.

Moderator: The next question is from Aman. How is the competitive intensity in Rajasthan? What is our right to win in the market? Can you put some clarity? That will be very helpful, as the market seems very unpenetrated.

Vinod Kumar Jain: In today's housing finance, we can't say that there is no competition, but still, where we are working, today we see that all the companies are working in urban areas. In rural and semi-urban areas, there is still not much competition. We can do comfortable work according to the business there. There are companies there as well, but there is still no competition there because the way of doing business and the business there is still coming from there.

- Moderator:** Sir, the next part is that the market seems under-penetrated. So, are we witnessing increased focus from peers meaning competition?
- Vinod Kumar Jain:** Sir, actually, every company is different. In today's time, we have 40% business from Rajasthan. The rest is from Gujarat. So, your portfolio and business is as much as you want. We want a business of monthly INR10 crore, INR15 crores from Rajasthan, we easily get it. If someone's business is more, we don't have that much of a loan booking, so we don't have a problem.
- Moderator:** We take the next question from Kush Tandon. Kush, you can go ahead.
- Kush Tandon:** Sir, good afternoon. Last time, when the interest rate was increasing, we were facing a loss on the fixed book at the NIM level. You also increased the OpEx. So, there was a hit from two places. Now, sir, the interest rate will hopefully be less. So, sir, what is your view on that? Do you think that we will benefit on NIM in the future? Will we keep the same interest rate or will we also reduce the interest rate for the customer?
- Vinod Kumar Jain:** Kush ji, there are two things in this. You are very good. In the previous interest rate, in the NHB guideline, we could have done more LAP business, loan against property, in which we used to do up to 40% LAP, there, we used to get 2%-3% extra money. Now in the housing finance company, it is necessary to do 70% portfolio HL. So, there you get 1%, 2% difference. But the loss of the repo rate that we were facing, due to the decrease in the repo rate, that whole thing will be set off.
- Secondly, our ticket size, in the new state, where we are working, the ticket size has increased. So by increasing the ticket size, your operation cost will gradually decrease. So from there, you will save money in the operation cost. So if we look at it net-to-net, your PAT will increase. And the expansion that we have done in this year, the branch that we started in Maharashtra, we started in Karnataka, we started in Andhra. So, from there also, our business has started. So in today's date, the operation cost that was to be hit, it has increased by 1%, 2% only, not more. So, that support, in the next year, the costing that is coming more now, that costing will also reduce.
- Kush Tandon:** Sir, will you give a new loan at a lower rate? Like, if the repo is falling, will you make it fall?

- Vinod Kumar Jain:** No, no. Our average housing loan, that portfolio is maintained at 18% only. And our LAP sits around 20%.
- Kush Tandon:** Because our customers are rate-insensitive customers.
- Vinod Kumar Jain:** Yes. So, our average will come the same. We will work at 18% housing loan and our LAP's average portfolio will be around 20%.
- Kush Tandon:** So there will be a profit on NIM, when the rate will fall more.
- Vinod Kumar Jain:** In the coming time, Kush ji both things have happened. The expansion has been completed, branches have opened, branches have started, branches have come in running. And equity has also come with you. So both the things that were to happen, have happened now. So, your NIM has to increase, your PAT has to increase.
- Kush Tandon:** Sir, for the next 2, 3 years, will you be able to give any guidance for AUM growth, for the loan portfolio?
- Vinod Kumar Jain:** Sir, like we had committed, we will do it around INR750 crores this year. Next year, we will do it around INR1,000 crore, INR1,100. So, if INR750 crore is crossed this year, then next year it will be around INR1,000 crore, INR1,100. And after that, if there is next year, then we will reach around INR1,500 crore.
- Kush Tandon:** And sir, our OpEx has increased, because the branches have opened.
- Vinod Kumar Jain:** Actually, your OpEx will be reduced now. Because the hiring team that we had to take in management, we took that. The team that we had to make Pan-India, Bombay corporate office that has been done. So, all the things that had to be done, have been done. Now, if 10%, 20% employees increase, then your book will increase more than that. Because your other fixed cost will not increase now.
- Kush Tandon:** Exactly sir, I wanted to say that in 2 years, NIM and OpEx increased. Hopefully, in the next 2 years, AUM growth and PAT growth, PAT growth should be more than AUM growth, sir.
- Vinod Kumar Jain:** Yes, 100%. There is focus on both. And in today's date, all the things that had to be done have been completed. Now our rating has also become BBB plus. And as soon as it comes around INR1,000 crores, then our rating will also come in A minus. If we come in that rating, then it will be a little easier to take money from the bank. And as the rating increases, we will get a little benefit in the borrowing cost. Ultimately, in 2-3 years, it will increase.

- Kush Tandon:** Sir, one last question. In the new geography, where we are going, is there any problem in underwriting, credit cost, understanding customers, or are there any new customers from our home state?
- Vinod Kumar Jain:** Actually, sir, wherever you go, the team over there is local. Secondly, in any property, there is legal waiting and legal property. Wherever we have gone in the state, for example, in Karnataka, the documents are very systematic and we do not have any legal issue. Technically, we have only two things. The property that you are giving, whether it is proper or not, its documents are very good there. The government's things are also fast there. So it is more fun to do business. It is also good in Andhra. In Maharashtra, there is a registered mortgage loan.
- So there is no problem there. So there is no problem in working in any new territory. We have already come from Rajasthan and now we have come to Gujarat and MP. So there is no problem in working in any state. We have a capable team and the experience people there.
- Kush Tandon:** So roughly, on INR1,000 AUM, 4% ROA can be made.
- Vinod Kumar Jain:** Yes.
- Kush Tandon:** Broadly. Okay, sir. Thank you, sir. All the best.
- Vinod Kumar Jain:** Thank you.
- Moderator:** Thank you, Kush. We will take the next question from Kevin Shah. Kevin, you can unmute and go ahead, please.
- Kevin Shah:** Thank you. Sir, can you give us some information on how SRG will cross INR1,000 crore AUM and how will we balance the increasing cost with AUM growth with profit growth? Because your profit growth has been soft since the last few quarters.
- Vinod Kumar Jain:** Kevin, there are two or three things in this. Number one, you have to grow and our ticket size is also big. And the repo rate is also low. So there are two or three things and your equity is also big. So we have done 90 branches. The target was that in the coming time we will do a business of INR30 crore, INR40 crore per month. So you can assume that your disbursement will be around INR500 crore per month. So if your book increases by INR250 crore. So from INR750 crore, then your book will be of INR1,000 INR1100 crore. So growth, system, infrastructure, team, all these things are complete.

So there is no issue of growth. And in terms of rate profit, your ticket size is big and if the rate is low, your operation cost is also low. So there is no impact in NIM. Even if I reduce the rate by 1%, still I will get more profit and your PAT, your profit will be more.

Kevin Shah: Okay, understood. Sir, the second question is will we see this branch expansion continue which is currently at 90?

Vinod Kumar Jain: No, our target is 100 branches. We have done 90 branches. If our INR1,000 crore loan book target is achieved, then we will only make 10 more branches. Then we will not increase any branch from 100 branches for the next 2 years.

Kevin Shah: Sir, then in that case, your cost to income ratio will not increase from 60% to 65%?

Vinod Kumar Jain: No, it will not increase. Till the time your AUM does not increase, we will not do any branch expansion. Our expense increase has already occurred. Now we are bringing it down. In the next expansion, we will only make 8-10 branches. That too after crossing that AUM.

Kevin Shah: Okay, thank you.

Vinod Kumar Jain: In the next 2-3 years, there will be no branch expansion program. After that, only your AUM will increase.

Moderator: Thanks, Kevin. We will take the next question from Aditya. Aditya, you can unmute and ask the question, please.

Aditya: Hello. Hi, sir. Sir, our credit cost used to be around 20-30 basis points. Now it is increasing from the last two quarters to around 60 basis points. Is there any particular reason for this? Is there any stress in the book or in the new geographies? Also, can you tell us the percentage of our book in Stage 2 how is it moving quarter on quarter?

Vinod Kumar Jain: Sir, the credit cost you are talking about, earlier it was 2.24% in March. Now it is only 1.82%. So, it is lower than before. It is also lower than last year.

And in Stage 2, my book is 0.46%.

Aditya: Okay, we are not seeing any stress in the asset quality.

Vinod Kumar Jain: Sir, actually, you don't face this problem in secured loans.

- Aditya:** Okay, so in your recoveries, suppose, do you get support from SARFESI?
- Vinod Kumar Jain:** 100% money comes from SARFESI. SARFESI's guidelines are so strong and well-made. Earlier, we used to say that it takes more time. But now, there is a lot of improvement. Earlier, we didn't get support from the administration. We used to get DM orders very late. Then to give possessions, to get police support, we used to take a lot of time. Now, that has reduced.
- So, in your recovery, the delinquency will gradually decrease. It will be a little faster.
- Aditya:** Okay. Thank you, sir.
- Moderator:** Thanks, Aditya. Sir, I have a question from 2, 3 people. First, for FY26, what is your target for AUM, disbursement, and branch? And second, for 2-3 years, what is your target for AUM, disbursement and branch?
- Vinod Kumar Jain:** Sir, now for FY26, we will do INR1,000 crores plus. I am not saying it will increase from INR1,000 crores to INR1,200 crores. But it will be more than INR1,000 crores. And our disbursement will be around INR400 crores. And our branches, we have 90 branches. We will work on those 90 branches. And our target for next year will be around INR1,300 INR1,350 crores. And our disbursement will be around INR500 crores, and our branches we will increase above INR1,000 crores, so there the branches will become 100.
- Moderator:** Okay, sir.
- Vinod Kumar Jain:** Now, our commitment is for 2 years. As soon as 1 year is completed, we will call back after 6 months. Then we will see where it is. But this year, if we can cross INR1000 crores, INR 1100 crores, because the branches are new and the team is also new. The hope is good. Once this is done, then we will move ahead.
- Moderator:** All right, sir. Sir, there are another questions. It is from Ravindra Singh. How are you planning to diversify your geographical presence, especially beyond Rajasthan? He wants to understand about this.
- Vinod Kumar Jain:** Look, our diversification has already happened. First, we had 100% Rajasthan. Then we started MP and Gujarat. Gujarat was a good market for us. Our branches in Gujarat are 22 branches in Gujarat. Then we came to Maharashtra from Gujarat. From Maharashtra, we

came to Karnataka. From Karnataka, we came to Andhra Pradesh. Our Tamil Nadu is left. So Tamil Nadu will be included in these 10 branches. So your portfolio has already diversified.

Let's talk about this March, let's talk about the last quarter. In the quarter 4, the new branches that we have disbursed, we have already disbursed 26% in Maharashtra. 5% in Andhra Pradesh and 7%, 7.25% is in Karnataka. Here, we have 38% Gujarat and 26% Rajasthan. So, diversification has already happened. And as the book increases, diversification will increase. So, there is no one place position.

Moderator: Sir, his next question is how do you differentiate yourself from larger housing finance companies or NBFCs targeting the affordable housing segment?

Vinod Kumar Jain: Sir, the segment that we have been working on for so many years, we want to work on that only. Neither do we want to go to a big ticket site nor do we want to go to urban. We work in semi-urban and rural. Our mindset is the same. Our team is also the same. We enjoy the work there.

Moderator: Okay, sir. Rupal Ratnavat ji has a question. At older branches, what was the average branch-level disbursement rate per annum?

Vinod Kumar Jain: Please repeat.

Moderator: In your old branches, what was your average branch-level disbursement rate per annum, branch-level disbursement rate?

Vinod Kumar Jain: Actually, we have not made it branch wise. But we have made it state-wide. So, in the state, if we take the whole year, then we have disbursed 29% in Rajasthan, 47% in Gujarat, 15% in Maharashtra, 2%- 2.25% in Andhra, 2.72% in Karnataka. This is the disbursement rate of our portfolio. This is state-wide.

Moderator: Okay, sir. Sir, the next question is from Akash Pathar. M3 Investment Pvt. Ltd. recently acquired 9.17% stake in SRG Housing through a preferential allotment. What do they bring to the table?

Vinod Kumar Jain: What do you mean by M3 Investment?

Moderator: They want to know how M3 Investment is able to help you by coming onboard.

- Vinod Kumar Jain:** Sir, the help in equity is the biggest help. Secondly, they have shown the whole company's trust, they have put such a big equity together, a person puts equity in one piece and if it comes together, then there is no long-term vision till then such a big money cannot be put in the company.
- First of all, thank you to them for their trust and hope it will be with us till long term. They have given support and they have also committed that whenever you need equity, you don't need to go anywhere. You just keep working. This is a very good thing. You get help from them. Secondly, when a big group is with you, you don't hesitate to work. We have been able to do so much expansion and things are going well, if there is a strong base of equity, then we don't have any problem in doing business.
- Moderator:** Thank you sir. We will take the next question from Mr. Aniket C. Aniket, you can unmute and ask your question.
- Aniket C:** Thank you so much. Sir, first question is that you have recently done three fundraise. How does this help your network and credit borrowing cost and will this be good enough to reach your INR1,000 crore target?
- Vinod Kumar Jain:** Actually, sir, our guideline of NHB is of 12 times. You can leverage up to 12 times of your NOF. But in the industry, more than 5 times is not possible. In today's date, our 264, if we go to 5 times also, we don't need any equity up to INR250, INR1,500 crores.
- Aniket C:** Okay. Next question is that can you throw some lights on senior management hiring which will help you to scale up as well as to grow in the national geographies?
- Vinod Kumar Jain:** Yes, 100%. As you can see, the team of pan India is already there to grow and is expertized in holding their business smoothly. So, we have already made a team. We have experienced people with us. So, we have a team of 10, 12 people of HOD, from the finance industry.
- Aniket C:** Okay. So can you detail more about what kind of people have you hired?
- Vinod Kumar Jain:** Like in our credit, he has 15 years of experience. Mr. Jorji, Sanjay Vaishy, he is the National Recovery Head. Praphull Dwivedi, he works in our Head Program and Technology. Ashish Kothari, he has been working in Operations and Product for the past 18 years. He is in the industry. He has studied from IIM. Mr. Ashwin Bharadwaj, he

looks after our risk control. Abhishek Churana, he works in our Product and Communications. And in that, we have Suresh ji, he looks after our business part. After that, we have a Chief Compliance Officer who is a banker. Mr. Shubham Katta, who looks after our HR for the past 10 years, he has studied from IIM Kolkata and was previously in AU Bank.

Okay. And like this, we have Independent Directors who are also bankers. There are three Directors are banker, some are CA, some are Compliance Secretary. So, the whole Board is systematic and experienced people in the industry.

Aniket C: Okay. That's it from my side. Thank you so much, sir.

Moderator: Thank you, Aniket. There is another question from the chat from Mr. Arvind Kumar. There is a slowdown in the economy. Is it also affecting our company?

Vinod Kumar Jain: That's a great question, sir. Look, we have been working in finance companies for the past 4, 5 years. So, there is something or the other in the finance industry every year. There is DHFL, there is ILFS, then there is Corona. After Corona, as you saw, there is stress in micro-finance companies. There is interest in personal loan companies.

So in these finance companies, you cannot always run in the same way. So whatever we talk about growth or more than that, when I will tell you about growth there is always some stress in that growth in which our finance company does nothing. But something like this happens in the market. Now, we never had anything in our housing finance. Now, AVM has come. So NHB has also tightened. Banks have also tightened. Banks have also reduced. So you never know where the stress will come from in the economy. The rest is that the business is good in rural areas. Demand is also good in rural areas. People do not look or do everything runs according to them. Their earnings are not too much that anyone can make an impact. Their business is like a regular business.

So, there is no problem in business. If there is nothing in the financial market, like the situation is going on now, the situation of war is going on, things are going on, if there is any impact, then it is different. There is no impact in the rest of the business.

Moderator: All right sir. We will take a follow-up question from Kevin Shah. Kevin Shah, you can unmute and ask your question.

- Kevin Shah:** Thank you Sir. Sir, with the decrease in the interest rate, it must have helped in NIM. So, sir, this improvement in NIM, in the next few quarters on your existing loan book, how will it look?
- Vinod Kumar Jain:** Sir, the impact of the repo rate will have its own benefit. NIM will increase. Next quarter will have a good impact. Because we are on a fixed rate. The rate that has come down and the book that has already been made, in the last few years, the loss was also on a fixed rate. Now when it has reduced we will get the benefit.
- Kevin Shah:** Okay sir. Thank you.
- Moderator:** Thank you Kevin. We will take the next question from Anand Mundra. Anand ji, you can ask your question please. Mr. Anand Mundra, you can unmute and ask your question. Mr. Anand, if you are unable to unmute, you can drop your question in the chat box as well.
- Sir, meanwhile, Anand ji -- the first question from Anand Mundra in the chat box is what is the stage 1 and 2 percent? Stage 1 and stage 2 percent. Anand, can you elaborate a bit more on this question?
- Vinod Kumar Jain:** Sir, in stage 1, the on time is 89.23%. And in 0 to 30 days, it is 3.5%. And in 30 to 60 days, it is 3.62%. In 60 to 90 days, it is 1.76%. And above that, it is 1.84%. Sir, it was written in this that you diversify the borrowing mix by borrowing through NCD. And what is the cost of borrowing presently? Sir, 49% is from FI, 48% is from banks, 6% is from NHB. And NCD has a higher cost that is why they are not able to take it. And if NCD is available for more than 5 years because we are a housing finance company, then we do not take NCD in the short term.
- And secondly, we do not take bullet payment NCD. For this, we are not able to work much in NCD. And if we get NCD on our terms then we will definitely work in it.
- Moderator:** All right, sir. Sir, there is one more question from Akash Patar. Are you seeing any demand issue for higher growth and can we plan performance marketing through Instagram in tier 2 and tier 3 cities? Even though your YouTube channel is good but there is no attraction coming there.
- Vinod Kumar Jain:** Sir, our loan takers on Instagram and YouTube do not come that much and they mostly come on Facebook. We have a page on Facebook. And Instagram but there is no lead from there. What happens there is that we have a network of branches and our employees in the branches

do more direct business and in venue marketing, we have canopy and do venue marketing that is more impactful.

And secondly, one of our branches works for 50, 60 km. So from Instagram we do not get business. Instagram are for the new generation but the house makers are not on Instagram. They are their parents and their parents take decisions on loans and such things.

Moderator: All right, sir. Next question is from Arvind Kumar in the chat box. Will you open branches in Tamil Nadu and Telangana in financial year 2026?

Vinod Kumar Jain: Yes, sir. The next 10 branches that we will open in 2026 after crossing INR1,000 crores we will go in Tamil Nadu and Telangana.

Moderator: And the next question is how much percentage of balance transfer in FY25?

Vinod Kumar Jain: Sir, balance transfer is 10%, 11%. And the same come back. The same goes and comes back. There is a difference of 1%, 2%.

Moderator: Anybody else who wishes to ask a question, please use the option of raised hand. Sir, since there are no further questions we will come to the end of the conference call. Would you like to give any closing comments?

Vinod Kumar Jain: Let's give a break to this topic. But yes, I would like to say that the finance industry due to some other reason, if there is a problem then it is fine but the company like ours and the market in which we work the market is good and the things are also good. Secondly, our expansion and the 90 branches that we have made in the coming time we will make a loan book of INR3 crore, INR4 thousand crores on these branches. The expansion of our branches will not be much.

We will focus on the productivity of the branch. Now the rating people also say that they want 5-7 states so you have to increase the rating on that level. And the cost that is increasing as your AUM increases day by day then your cost will decrease. If the ticket size increases then the option cost decreases. Your AUM increases even if your interest is 1%, or 2% less then your man power will not increase that much. So the things from all four sides are at a level from where we are standing you will see everything very well and properly.

Similarly, we have made a whole model. With this hope your trust stays. Thank you.

Vinay Pandit:

Thank you, sir. Thank you to all the participants for joining on the call, and thank you to the management for giving us their time. This brings us to the end of today's conference call. You may all disconnect now. Thank you.