June 14, 2021

The General Manager,
Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai — 400001.

Scrip Code: 540268

Dear Sir / Madam,

Subject: Earnings Call-Transcript.

This is to inform you that the Board of Directors of Dhanvarsha Finvest Limited at its meeting held on i.e., June 10, 2021 had approved Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2021 and the same has been submitted to you.

An Earnings call was held in relation to the same on Thursday, June 10, 2021 at 5:00 PM IST. Please find attached herewith the Transcript of the Earnings Call in this regard.

We request you to take the above on record.

Thanking you.

Yours faithfully,
For **Dhanvarsha Finvest Limited**

Fredrick M. Pinto
Company Secretary
ACS No. 22085

"Dhanvarsha Finvest Limited
Q4 FY2021 Earnings Conference Call"

June 10, 2021

Ladies and gentlemen, good day and welcome to Dhanvarsha Finvest Limited Q4 FY2021 Earnings Conference Call hosted by Investec Capital Services. From the management team, we have Mr. Rohanjeet Juneja, Joint Managing Director, Mr. Karan Desai, Joint Managing Director, Mr. Sanjay Kukreja, Chief Financial Officer and Mr. Pinak Shah, Chief Technology Officer. 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rohanjeet Juneja. Thank you and over to you Sir!

: Thank you Nirav. It has been an incredibly challenging year for the world at large; however, it has been aptly said that only in times of adversity do true leaders shine. Despite the dislocation from the global pandemic in the last 15 months, we at Dhanvarsha take pride in the substantial traction on the liability side of our balance sheet having taken our networth up 5x to Rs.1.5 billion and adding 11 lenders to our roster which include the likes of HDFC, SBI, NABARD, Bank of India, Northern Arc, Central Bank of India, A.K. Capital, MAS Financial, CSB Bank and two foreign lenders.

Our loan portfolio is up 193% year-over-year to 1.05 billion with our borrower count up by 1662% to 7100 borrowers from 403 borrowers in March 2020. The average ticket size of loans declined by 86% from 1.1 million to Rs.0.15 million. This shows the granular nature of our loan book and is truly demonstrative of our customer centricity in the micro small medium enterprise space.

First let us talk about quarterly results before moving on to other details. Earnings were Rs.11.6 million in the quarter up 256% from 3.3 million a year ago. The company disbursed 405 million in fiscal Q4 up from 203 million in December 2020 and 35.6 million in March 2020. Interest income was up 259% year-over-year to 47.8 million versus 13.3 million a year ago. Total revenues were up 85% year over year, 208 million versus 58.5 million in the year ago quarter. Interest expense on debt capex and opex associated with building out our gold experiential centers and our digital platform for MSME and blue collared workers led to total expenses being up 89% year-over-year. Our credit rating was upgraded to BBB by Infomerics in March 2021.

In April 2021, the company concluded a capital raise of Rs.658 million led by Aviator Emerging Market Fund. Our balance sheet is pristine and exceptionally liquid with more than one billion of cash and liquid investments today that can be deployed into loan assets.

Our debt to equity is only 0.5x and we have an additional 675 million of unused debt capacity. We are pleased to announce that the company will soon be issuing its first listed covered bond backed by gold loans with an A rating from care. On the asset side as you all know Dhanvarsha focuses predominantly on daily cash flow generating businesses like chemists, general and convenience stores, clock traders etc that remained opened even during the lockdown and hence could continue servicing the loans on time.

Our diversified product offering today includes business loans, gold loans, medical loans and education loans. Disbursements on a quarter-over-quarter basis increased from 48.2 million in Q1 2021 to 206 million in the second quarter, 221 million in the third quarter and finally 405 million in the fourth quarter to close the year at an annual disbursement of 880 million versus 87.8 million in the preceding 12 months.

We were able to do that because of our single-minded focus on the liability side of our balance sheet, collaborations with captive channel partners many of whom provide the company a first loss default guarantee and a robust collections platform. On the pertinent topic of risk and impact of COVID-19 on the portfolio - today loans backed by gold as collateral are approximately 20% of the loan book. The percentage of loans to the essential good segment which comprises of health, wellness, technology, convenience and medical stores, food and drinks is 41% of the portfolio. Loans backed by a first loss default guarantee are 17% of the loan book. With our relentless effort on collections, we have been able to report 100% plus collection efficiency including prepayment, part payments and foreclosures since January 2021. Happy to announce that in April and May as well we have reported 100% plus collection efficiency including prepayments and foreclosures.

Coming to asset quality, gross NPAs showed substantial improvement declining to 2.95% versus 5.01% in the previous year. Net NPAs are down to 0.82% versus 2.58% last year. Our provision coverage is up to 72% from 48.7% in 2020. NPA accounts recovered and closed in the year were 22.8 million. It is noteworthy that in our gross NPA bucket of Rs.30.8 million, 23.3 million or 76% come from eight legacy LAP loans originated between September 2017 and September 2018. Excluding these LAP loans, gross NPAs would have been 1.04%. We are happy to disclose that two of these eight LAP NPA accounts have already been closed in April and May 2021 with over 95% recovery of principal and interest. We expect continued improvement in NPAs in the current fiscal as we collect on legacy loans that are part of the NPA bucket. With Dhanvarsha now being eligible for SARFAESI we are confident of a quicker turnaround on some of these loans.

As you know the lending landscape is evolving rapidly as companies try newer ways to reach out to the last mile customer. We spent a substantial amount of time to increasingly digitize our systems and processes to ensure that our business volumes grow strongly and at the same time ensure safety of our team members.

Some of the initiatives include: the company is investing heavily in a soon to be launched omnichannel, end-to-end digital lending platform for MSMEs and blue-collar workers which will provide access to quick but affordable credit lines to these under bank customers. This platform would also provide these less sophisticated customers and entire ecosystem for their credit health and financial wellness.

We have launched dhanvarsha.co, digital lead sourcing platform in order to acquire customers for gold, business loans and personal loans completely digitally. Dhanvarsha.co has already started contributing to our monthly disbursement volumes. Our channel partners and co-origination associates can seamlessly log into their cases through our centralized underwriting team via the dhanvarsha channel partner app on Android Playstore. For unsecured loans up to 0.5 million, we conduct video PDs backed by third-party agency FI and FCU checks on ground to underwrite our customers. Agreement execution E-NACH, mandate setting is also now executed digitally thereby improving our turnaround time significantly.

Now on our plans for the future: Post the September 2018 crisis and even more so after the lockdowns resulting from COVID-19 in the last 15 months, three things have come to the forefront for most financial institutions; liquidity, capital efficiency and collaborations. With an overcapitalized, extremely liquid and capital efficient balance sheet coupled with our distribution and tech prowess, we are now at an inflection point where we will demonstrate rapid profit and loan growth which will be driven by our focus predominantly in the state of Maharashtra in fiscal 2022 through the following channels.

Number one, the launch of our end-to-end digital embedded finance platform that would give blue collar workers and MSMEs access to a bouquet of financial services products. The personalized experience through this platform will make it more engaging for customers to achieve credit health and financial wellness along with being able to borrow, invest, pay and grow all in one app. The launch of financial inclusion stores which is a capex light distribution channel where daily cash flow generating businesses which include chemists, convenience stores, food and hardware stores serve as business partners for our lending and white label products. These stores should make as much money distributing products as they make in their own business thereby incentivizing them to muster substantial volume for us. In the last five weeks alone, we already have 98 financial inclusion stores in Dhanvarsha ecosystem and are expecting to have more than 2400 such stores by the end of March 2022.

Number three, experiential branch centers that serve as a distribution hub for loans and other white label products predominantly in the state of Maharashtra. Today we have 18 such centers which we expect to go up to 75-90 by March 2022. These centers will not only offer Dhanvarsha products that will also be enabled to offer products from other partners to enhance the value proposition for our customers and grow our off-balance sheet AUM where Dhanvarsha does not put any capital to work. We have currently tied up with a large bank in Southern India for the LAP product where Dhanvarsha serves as the sourcing, servicing and collection partner without consuming any capital on its balance sheet.

Number four, direct collaboration with associations along with co-origination, co-lending and first loss default guarantee from partners with deep expertise in technology and inherent social strength in particular geographies. The first loss default guarantee provided to Dhanvarsha ranges from 10% to 100%. We are doing business with seven such partners today and will be live with another four partners by the end of this month. At present 17% of our loan book is backed by our first loss default guarantee and we expect that to go up to 20% to 25% in the foreseeable future. Given all these efforts we are confident of getting to 3.7 billion in on balance sheet AUM with about 25,000 customers by March 2022 and 11 to 12 billion in on and off balance sheet AUM with almost 100,000 customers by March 2023. In fiscal 2022 our predominant focus will be in the state of Maharashtra where we have done business successfully for four years post that we look to replicate the success in other neighboring states.

Lastly on governance, our board today comprising of eight members of which five are independent directors. We are pleased to announce that subject to customary regulatory approvals, the company has proposed to add a globally renowned investor, Mr. Porter Collins to the Board of Directors at Dhanvarsha very soon. Mr. Collins was previously a partner and co-founder of a financial services fund in the US which was featured in the book and the movie the Big Short for their financial acumen in accurately predicting the global crisis of 2007-2008. With this we will end our prepared remarks and open the floor for questions and answers.

: Thank you very much. We will now begin the question and answer session. The first question is from the line of Amit Kapoor from Centrum Broking Limited. Please go ahead.

: Thanks a lot for taking my question. First of all congratulations for a great set of numbers. I just want to check that now that you have raised this capital and you are pretty like the leverage is pretty low for the business right now, but at the same time you are going at a fast pace so what do you think how long will this capital last or when would you need to raise the next capital. If you can throw some light on it, if you have a plan as to will it be three years down the line, four years down the line?

: Thank you Amit. We have an over capitalized and liquid balance sheet but the pace of our disbursement growth has picked up as well, so progressively over every quarter of last year we have picked up disbursement by almost 50% year on year. Our goal is that this year will be a substantial disbursement volume year for us. There is no plan at present to raise equity at this point in time, but the company will look at certain institutions which come along the way to provide capital to partner with us in our journey especially in the MSME and blue-collar work space.

: Thanks. I have another question. I just want to check so what has been your experience with this second lockdown. I know that you guys have really managed it well in the first lockdown but is the second lockdown, the second wave creating any havoc for you guys or your experience is different from what the first wave was or if you can throw some light as what you are seeing on the ground especially in April and May because I believe that those were really tough times from a business point of view for people preferably MSME and SME?

: The experience is definitely different from last year. Last year you had the RBI come out and announce a moratorium, this year that was not so, what has really helped us over in the last one year the majority of our disbursements have come in the gold loan product and in loans that are backed by an FLDG. Number three, the predominant disbursement for us in business loans has been in the essential goods segment which is daily cash flow generating businesses. So there are convenience stores, they are chemists, they are hardware stores, most of them were opened during the lockdown due to which servicing was not an issue, we have reported 100% plus collection efficiency including foreclosures and repayments since we have tried to balance transfer a lot of the LAP loans out of our portfolio in addition to that there has been a good amount of churn in gold loans so a lot of those customers have come, repaid the loans and taken back the gold, therefore the experience this year for us actually has not been as bad as last year. Last year at one point in time we had almost 24% of the book in moratorium this year none of that is applicable to us.

: Thanks a lot that was very helpful. That is all from my side.

: Thank you. The next question is from the line of Vishal Gupta from Bernetta International. Please go ahead.

: Good afternoon. Guys I have a question on your gold loan strategy, I see you have a 21% yield and a pretty meaty spread on it as well. Can you tell me more about how you are going to scale this up and how you plan to compete against the likes of Muthoot and Manappuram?

: Thank you for the question Vishal. This is Karan Desai here. We are going to try and do the gold loan, this is slightly differently to what some of our larger peers like the Muthoot and Manappuram have done. In the GL business especially if you will see historically very little focus has been paid to customer service and experience that is what we are trying to change with the way our centers are set up and the kind of products and services we provide, so if you see any Dhanvarsha gold loan experiential center, it looks like a privileged banking set up which you would see in an IndusInd and HDFC one of the other larger banks. This is because we want to make the customer feel extremely privileged, the loan is provided in 30 minutes of time, the entire process from start to end while it is a semi-digital process today still gets done very, very quickly and apart from the core gold loan product we are also providing all of these customers other value-added services including access to personal loans, business loans, insurance and in due course we will also be launching investment products for them. So keeping this holistic solution in mind we see a great retention amongst our customer base and even the closures that we have on a monthly basis a lot of these customers are going to come and pay, give us more gold and then take a top up so from that standpoint this is what we will make our niche and we feel that we become a very strong competitive advantage in the times to come.

: Right and are you planning other geographies apart I understand you guys are concentrated in Maharashtra right now, but on the gold loan segment are you looking at other geographies?

: Today our gold loan business is spread across two locations principally, one is of course the State of Maharashtra and we have a network in the NCR region as well. Having said that for this financial year we have taken a conscious decision to grow our book largely in Maharashtra to some extent in Goa and just consolidate our position in the NCR region. By the time we hit 60, 70 plus units by the end of this financial year that is when we will be taking a stock of which are the markets which are ancillary to where we are already present make sense for us and then replicate our strategy in growth markets as well. We want to become masters of one state at least which is of course our home market of Maharashtra before venturing into other markets like Gujarat, Rajasthan so on and so forth.

: Got it. Thanks.

: Thank you. The next question is from the line of Ankit Goradia from VEC Investments. Please go ahead.

: I am really tracking the company to pardon me for some of the premature question, just wanted to get a handle on your strategy that you mentioned for 2022-2023 how are we going to get to that kind of an ambitious AUM that is my first piece and my second piece is we are trying to do gold loans, MSME and various such verticals, do you think we are spreading ourselves too thin on that count?

: Thank you for the question. Firstly on gold loans and MSME, the majority of our gold loans also are originated to business customers with the security being provided to us as gold. Number two, on the other MSME loans that we do as well a good chunk of them are backed by an FLDG product. At the present point in time we have 16 branches in gold and we have 98 financial inclusion stores. We feel we will get significant traction in the branches and the financial inclusion stores that will go live now obviously April was a slower month for us given the lockdown, but things have since picked up from the middle of May, we believe every branch can do a disbursement volume of between Rs.70 and Rs.80 lakhs per month so with that we feel on balance sheet AUM of Rs.370 Crores is fairly achievable in the gold and MSME space, we will also be launching our end-to-end digital platform in the next three months and that will add to the volume as well. Therefore 3.7 billion we feel is fairly achievable in this fiscal year.

: Understood and just on your turnaround time typically what is the time to process a loan and how strong were you even on the top-up loan?

: I will break this down product by products. On the gold loan piece door-to-door the minute the customer walks into and when he walks out with the money it is a turnaround time of about 30 minutes. In the next two quarters this will also reduce substantially because we will be digitizing part of the on-boarding journey which the customer can complete from the comfort from his or her home and then come to the branch simply to complete the valuation and the handover of the gold. So we aspire to bring this time for the gold loan product down to about 15 to 20 minutes by the end of this financial year. So that is on gold. The classic personal loan product that we do has an end-to-end PAT of about 48 to 72 hours from when the customer provides us all this documentation up to about 5 lakhs of ticket size which is irrespective whether it is a personal loan or a business loan. We conduct the entire on-boarding process digitally including the video, PD KYC etc with the only offline fulfillment that happens essentially is the FIs which is the field investigation and the fraud control unit which is the FCU check done by our third party vendors which is typically triggered immediately post approval of the loan. The business loan product typically takes a turnaround time of about four days end to end for the simple reason that in these cases typically post approval or post TD there might be some questions which are raised by the credit team in terms of additional paperwork for GST, income tax returns etc., which are may take a day for the customer to fulfill so our average time now on the unsecured book is anywhere between three to four days, gold loan is less than 30 minutes and the LAP portfolio which now we do in a BC of course being a LAP product with legal valuation etc., involved it is about a two to three week process broken down product by product.

: Understood. Thank you. That is it for mine end for now. I will come back in the queue.

: Thank you. The next question is from the line of Ankit Goradia from VEC Investments. Please go ahead.

: Just to kind of continue, do we look at any inorganic acquisition given that we are sitting on cash or are we going to become sourcing like DSA agents for maybe some of the bigger banks or bigger NBFC?

: Certainly, there are always a lot of opportunities we look at from time to time, but the first priority is to look to do the business organically lean over in-house but if there is something opportunistic that comes along the way that is very synergistic to our business it is certainly something we will evaluate.

: On growing the loan book through in terms of collaboration with maybe there is a bigger NBFCs with banks, is that a viable business model?

: We are doing business with one large bank today where we are sourcing, servicing and collecting on the loans for them that is an area of focus for us so we will be doing it predominantly in the LAP and the affordable housing product.

: And what how does the economics work there?

: Usually they pay us a hurdle rate on the loan and they pay us a servicing fee and a collection fee on every loan that we underwrite for them. We do provide them a small FLDG for those loans and the capital is entirely provided by them.

: Understood and just a vehicle, personal vehicle or sort of commercial vehicle financing is not something that you want to do at a lower ticket size?

: We are very focused on the gold loan product predominantly to business customers, on the pure play business loan product which is our bread and butter and the personal loan product so we are focused on our target subsegment obviously the idea is to offer them different products but in a very concise and cohesive manner.

: On a personal loan a two-wheeler or something will not be part of the portfolio in the foreseeable future?

: No, we feel the market within gold and business loans and personal loans in itself is very large, there is no reason for us to dilute our focus and to go into other segments. These three alone can be a very big portfolio for us in the next four to five years.

: Understood. Thank you so much.

: Thank you. The next question is the line of Nidhesh from Investec. Please go ahead.

: Thanks for the opportunity. So you shared a very ambitious plan of loan growth over next two to three years, can you also give some details on the trajectory of ROA for the company over next two to three years?

: We would like to underwrite business with a 5% ROA threshold that unfortunately was not achieved in the year fiscal 2021 due to the investments we made into the business so it is in the increasing headcount, the tech platform, the gold loan branches and the experiential centers that we are putting up. Our goal is fiscal 2022 and fiscal 2023 should be a 5% ROA business for us.

: So even in FY2022 you should be able to reach 5% ROA?

: We should be able to get to 5% ROA given we will get some economies of scale, in addition to that it is also writing business with co-lending partners where we get a FLDG so the cost of risk is covered and the cost of acquisition on those loans are very, very low. In addition to that in the gold finance business once a branch reaches a breakeven it becomes extremely profitable so we will have that happening all through fiscal 2022 we will get to a 5% ROA and fiscal 2023 our goal is to generate more than a 5% ROA.

: Thanks.

: Thank you. The next question is from the line of Deepak Mehta, Individual Investor. Please go ahead.

: Good evening Sir. Thank you for taking my questions and great set of numbers. My question is around what is the average tenure of loan disbursed for us?

: Thank you for the question. I will again take it product by product. Starting with gold loans which is of course the largest area of focus for us on paper these loans typically have a ten year of 12 months but from our experience over the last 10 odd months we have seen that these loans typically churn every three or four months because the gold loan product normally does not carry any exiting or foreclosure charge so as soon as the customer has some free liquidity available they prefer to come and release their family gold and they can come and re-pledge it whenever they want and away money again in 30 minutes so on the gold loan product the tenure as of now is about four months on average. Talking about the business loan products it is anywhere between 24 and 36 months, the average age up right now in the book is about 30 odd months. The personal loan product is about 36 to 48 months, but as of now the weighted average tenure on the book is at the shorter end of this curve so it is about 36 months. LAP of course it is our legacy book which we are unwinding slowly on the balance sheet so those loans were longer tenure about 7 to 10 years now.

: Thank you for answer Sir and second question is around do not you guys measure any kind of customer satisfaction such as NPS how is the repetitive customer or cross selling if you can throw some lights on this Sir?

: Today what we are doing is once the sales team has actually closed the customers we have disburse the loan and then subsequently when we are servicing the customer, we use our back-end call center team which essentially reaches out to the client to check two or three things. One is of course how was the overall experience at the time of booking the loan, secondly how likely would they be to recommend our products and services to anybody they may know because this is the easiest and cheapest way for us to acquire new customers especially in the target segment that we operate and last but not the least considering that we have tie-ups with other financial product companies including insurance etc., etc., we try and see whether they have a requirement for any other product which we could provide to them with convenience considering that they completed KYC and all other formalities are taking the loan from us so yes we do have a back end team which takes care of this as far as customer on-boarding and then subsequent customer satisfaction measurement is concerned.

: So if it is available can you share what was the last NPS score?

Now we do not have a scoring system if you want to answer very specifically. We follow more of a process-oriented approach to ensure that these three or four points that I mentioned have been taken care of we will be institutionalizing this in this financial year. As of now it is more process driven but we do not have a scored matrix per se.

: Thank you Sir and my last question is around you have given very aggressive target for FY2022-2023 so you guys are going to maintain these same underwriting practices for right now we have and we can except saying right now if we reach out to that level?

: Certainly, the one thing that we would like to say we have used the last four years to build a completely institutionalized and professionalized platform which includes professional management from various different backgrounds and completely independent board with the quality of lenders that we have today and the equity capitalization that the company has gotten in the last year-and-a-half, the idea is after the platform has been built now we can be in takeoff mode where you can grow in a risk mitigated manner with channel partners who provide us a first loss default guarantee with the backup of gold as collateral in terms of a product and an omnichannel end-to-end digital platform where we again source business with partners who also give us an FLDG which is B2B to B2C model through those three mechanisms and the debt and equity capital that we have been able to garner, we feel the guidance that we have given is fairly achievable. Obviously, we would like to under promise and over deliver so this is the minimum we would like to achieve in the next two years.

: Thank you so much Sir and my best results to all of you.

: Thank you. The next question is from the line of Jasmeet Chadha from Audible Inc. Please go ahead.

: Guys individual investor really pleased with your performance so far, so great job. Question for you is you are growing the size of your portfolio in the book and your loans in terms of your human capital, training new people coming on board, you are digitalizing a lot of the stuff for your customers but what about your internal staff do you have training processes and mechanisms in place to make sure that everyone that you bring on board internally and externally like your channel partners that you mentioned, do they know Dhanvarsha way of doing things can you continue the scale up and reaching the same culture, same processes, same risk appetite and same financials?

Thank you for the question. I will break this down piece by piece. So as far as training and on-boarding any new channel partners or distributors for us is concerned, we have an in-house centralized training management team that essentially gives them a lot of guidance on each of the products that we distribute, the way they are structured and what are the thresholds that need to be met before even logging a file into Dhanvarsha. Apart from that at a business level as well so when the sales team will onboard say our DSA for example, they spend a lot of time walking them through the SOPs of each step of the loan process be it a personal loan or a business loan to ensure that on a monthly basis I would rather say on a daily basis when loan files are being uploaded into our system in all probability they pass the filters and they go on to getting approved because the biggest killer in terms of sourcing is when you have channel partners who upload a lot of cases and you cannot disburse enough of them for the simple reason that did not understand the product properly. So this is a core part of what we do. Apart from that at a policy level we have also ensured that all of our products have been properly documented. The deviation matrix internally for the credit and underwriting team is extremely clear so that the system is geared up to process a volume of cases. Now unlike a lot of our peers we have adopted a centralized approach to underwriting to make sure that we control our risk and the brainchild of our business is based at our headquarters in Mumbai, so it is essentially a hub-and-spoke quarter wherein the branches where we source in remote locations, we have a credit manager who will actually go to the personal discussion with the customer at the time of on-boarding him but the underwriting of the file happens in Mumbai so from that standpoint we are very well organized with our systems, processes, documentation and training and on-boarding because today as we speak we work with over 100 sourcing partners which include DSAs, small connectors etc. We have already on-boarded 90 plus financial inclusion stores in the last 40 days and apart from that we have seven or eight small partners with whom we do co-origination in various shapes or forms so to ensure that all of these work seamlessly on a daily basis, the systems and processes are critical and we are fairly comfortable where we are right now.

: Great. Fantastic and again great job on your performance so far. Last question what percent of your portfolio today or your new loans coming originating our channels are coming from channel partners versus your internal team?

: If you want to break down our book today out of the total AUM about 17% to 18% comes from our channel partners with whom we have done some form of co-origination of co-lending wherein they would have provided us an FLDG or a first loss default guarantee to get us to contribute the capital to funding our customer. So that is about 18% to 20% of the book, apart from that in the gold business it is a micro branch business so the customer sourcing typically happens within a two to five kilometer radius of the branch and the activation is done largely locally so that is for the GL product. Last but not the least as far as the business loan and personal loan product is concerned which we source from the DSA that again we work with three or four very large corporate sourcing partners to ensure that the quality of the cases we get is good and then we have some small connectors etc., that we activate as well, so to give you a broad split the book is about 18% to 20% co-lending co-origination today about 23% is gold loans and the balance will be acquired through the various channel partners which are DSA, connectors and now as we move forward of course the franchise stores as well. This is a marked change from about two-and-a-half-years ago where about 80% percent plus of our book was DSA originated which employed a much higher acquisition cost.

: Thank you. Great job guys.

: Thank you. The next question is from the line of Deepak Mehta, Individual Investor. Please go ahead.

: I wanted to ask that this digital platform has already been launched if I have missed am not sure.

: We already have our legacy digital on-boarding platform that we have been using for the last one-and-a-half years so that is already deployed and in production. Having said that we are working on a completely end-to-end digital lending platform which will be cutting edge driven by a business rule engine which we rely entirely on data with very little human intervention to do small ticket loans to a very, very focused MSME and blue collar customer base which is according to us still highly underpenetrated and untimed just to clarify this will not be a classic product which will lend money at exorbitant rates of interest. We aim to make this money accessible to a much larger universe of customers at affordable rates and apart from the lending platform, it will also have an embedded ecosystem to encourage customers to understand their financial position credit health etc., in a very simple sense and guide them as to how they can improve on this going forward. So demystifying what is essentially a fairly complex you know a credit report for example today and then of course you have the entire wellness ecosystem of prepaid card on the system, it will be integrated with the rewards program so we estimate that this will go live sometime in the month of August. Development is ongoing right now and the development team completely in-house so we have built this entire team over the last 10 odd months.

: I think you have one subsidiary DFL Technologies for this?

: Yes.

: So this new platform will be available on both IoS and live for user Android?

: Yes.

: Going ahead if you said two to five years, how much business you are expecting from this digital platform or maybe you keep developing it and keep improving it so what is the management and company plans?

: What we are guiding for right now does not include a big number from the end-to-end digital platform. What we have given out is largely from the gold business loan and the personal loan product which is the existing channels that we do business from.

: Okay Sir, so this will be extra benefits we can say whatever we achieve through this new platform.

: That is correct.

: Thank you so much Sir.

: Thank you. The next question is from the line of Alok Bathija from UBS Securities. Please go ahead.

: Thank you so much for taking my question and congratulations again on a great set of numbers. A couple of questions from my side if you can comment a little bit more about granularly on your liability franchise and the pipeline going forward as you look to scale up your business so that would be my first question and the second can you shed a little bit more light on the structure of your board and governance and anything on those lines?

: Thank you Alok. On your first question on the liability franchise despite the dislocation from the global pandemic in the last 15 months we have achieved significant traction with lenders be it the PSU banks, be it private banks or other financial institutions. I think it is fairly evident with having lenders like HDFC, SBI, Bank of India, Central Bank of India and many others on our roster. The pipeline for us is fairly robust. We have 675 million of unused capacity on our balance sheet at this point in time. We have several other discussions underway as well with private and PSU banks to raise additional debt for the business given our disbursement trajectory, so the pipeline is fairly healthy and we hope to convert most of these into loan growth in next 12 months. Could you repeat your second question please, Alok?

: Rohan, if you can just throw a little bit more light on the structure of your board and governance not in too much detail but any highlights that would help all of us on the call?

: From day one of doing business four years back we were very clear on the governance mechanism because to build a large and profitable institution in the future you need to have the right governance mechanism in place so at this point in time we have five independent directors on the board, the chairperson of the board is completely independent. He is a former banker who was a CMD of a large bank from 2014 until 2017. Post his retirement this is the second board that he joined. We have someone extremely senior from Visa Inc. in Singapore who is ahead of all cross-border sales and marketing for the Asia Pac region prior to his retirement in Visa. He spent 19 years at Visa and prior to that he was in a Nestle and Procter & Gamble. He has joined our board in February 2019. We have three other independent directors who come from different backgrounds which include taxation, business, and financial regulation. We also now will be post customary approvals, we will be having Mr. Porter Collins who joins our board as well who is a globally renowned investor. With that we only have two Executive Directors who are on the board which are Karan Desai and myself the two Joint Managing Directors. So everything that we do is governed by the board, the strategy has been blessed by the board as well and the idea is to create a long-term institution in the future just like you have an HDFC or a Kotak.

: Thank you so much for that. Very helpful and again congratulations for what you all achieved through this very difficult period.

: Thank you. The next question is from the line of Alok Shah from Shah Securities. Please go ahead.

: Thank you so much for taking my question. On the digital platform that you gentlemen are doing just I was going through your previous transcripts and in that it spoke about a few service providers who you have on-boarded for doing your KYC etc., etc., so question really is that the digital platform that you are making you did say that it is in-house but I just want to clarify that there is no service provider and all of these things that you are doing is all in-house and all of the data that will be there would be proprietary to your company is that correct?

: Thank you for the question. Let me try and answer that for you. So essentially the core of the system which is going to be the business rule engine and the entire interface in terms of the coding and development of the platform is being done in-house; however, there are certain integrations that we need to do for example with NSDL for PAN verification, with the Aadhaar agency for again KYC verification of the Aadhaar card those are the kind of providers with whom we tie up via API integration to make sure that the customer journey is seamless. Now since most of the development is being done in-house, we will only reach out to those partners wherein they become an integral part of the journey from a customer on boarding perspective with the heart of the platform being built by us completely by the in-house team and then of course design etc., is something that we may seek help from partners if we want to kind of change the experience and get a third-party perspective on it as well. Having said that the entire data will be owned by us, it will be on our servers and it will be completely protected by adequate data security measures. So I hope that answers your questions happy to take any followups.

: Thank you.

: Thank you very much. Ladies and gentlemen that was the last question for today. I will now hand the conference over to Mr. Rohanjeet Juneja for closing comments.

: Thank you everyone. We look forward to talking to you in the next quarter. Have a good day.

: Thank you very much. On behalf of Investec Capital Services India Private Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.