

Date: May 30, 2025

To,
The Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Subject: Transcript of Investors conference call
Scrip ID: WSFX
Scrip Code: 511147

Dear Sir/ Madam,

In pursuance to disclosure u/r 30 of SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015 we are enclosing the copy of transcript of the Investors Conference Call held on Thursday, May 29, 2025 at 04:00 P.M (IST) for the performance of the Company for the Financial Year ended March 31, 2025. The same is also available on the website of the Company <https://www.wsfx.in/investors>

The above is for your information and records.

Thanking You,

Yours faithfully,
For WSFx Global Pay Limited)

Khushboo Doshi
Company Secretary & Compliance Officer

Encl: As above

WSFx Global Pay Limited

Registered Office: 6th Floor, C Wing, Corporate Avenue, Chakala, Andheri (East), Mumbai – 400 093
+91 22 62709600 | info@wsfx.in | www.wsfx.in | CIN No. L99999MH1986PLC039660



“WSFx Global Pay Limited Investors Conference Call”

May 29, 2025



**MANAGEMENT: MR. SRIKRISHNA NARASIMHAN - CEO AND WHOLE-TIME DIRECTOR, WSFX GLOBAL PAY LIMITED
Ms. POOJA MISHRA - CHIEF FINANCIAL OFFICER,
WSFX GLOBAL PAY LIMITED**

Moderator: Ladies and gentlemen, good day, good evening and welcome to Investors Conference Call of WSFx Global Pay Limited.

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

Material information in this conference call is general background about the company's activities as at the date of this presentation. Information in this presentation should not be considered as advice or recommendation to investors or potential investors in the relation to holding, purchasing or selling securities and does not take into account your particular investment objectives, financial situation or needs. This information is given in summary form and does not support to be complete.

I now hand the conference over to Mr. Srikrishna Narasimhan – CEO and Whole-Time Director and Ms. Pooja Mishra – Chief Financial Officer. Thank you and over to you, sir.

Srikrishna Narasimhan: Thank you, Avirudh. Good evening. This is Srikrishna here along with Pooja Mishra and it's a pleasure to connect once again with our investors and present WSFx performance for the Quarter 4 and for the Financial Year '24-'25. So I would now quickly jump into the presentation which has been already uploaded in the BSE website and the company website.

Now, we will go to the presentation.

We are going to talk about the company, what it is doing, what is its business and also how the performance has been over the last quarter of FY'24-'25 and what we have done for the overall year.

So, going to the first slide where we talk about the company.

So WSFx as a company has established a place for itself as a trusted player with 30 plus years vintage in foreign exchange. We are a RBI licensed AD2, a regulated entity. We are also certified with ISO and PCI DSS. So the key factor which we would like to communicate here is we are a trusted partner, regulated, and we have all the systems in place to offer a secure environment for our customers.

What have we been doing:

We are primarily focused on two key segments, customer segments, students and corporates. And today we can say we have significant business from these two customer segments. Our core product is foreign currency, prepaid FOREX cards and cross-border remittances under LRS. We also have around 800 plus corporates who deal with us. We have around 500 plus B2B partners

and we also have multiple digital platforms, a platform for every customer segment wherein people can deal with us through digital platforms.

Last year we would have sold over 100,000 plus customers and over the lifetime we have got around a million plus customers we have serviced the FOREX and remittance requirements. We partner with leading banks. Some of the banks we partner with is YES Bank, HDFC Bank, ICICI Bank, IDFC Bank, IndusInd Bank, etc. We run through digital platforms.

As I said, besides foreign exchange, what do we do different is we have really looked at digital as the key enabler, key enabler for growth, and we have built multiple platforms. We have a platform for corporate where he can completely do his ordering through our Global Pay Smart Corporate Platform. We are happy to say around 50% of our business comes through this platform. We have a B2B platform that we call as Global Pay Smart Agent Platform. This is a platform which enables agents to place their orders for their customers. And that has seen good acceptance. We have also built a platform called Global Pay FPaaS platform, which enables our B2B partner to plug and play and give a digital offering for FOREX to his customer. Besides that, we have got a Global Pay app and portal through which our customers can directly deal with the company and order foreign exchange and cross-border remittances besides the miscellaneous service.

To the next slide, we talk of the various card products which we have launched:

While we have multiple partnerships with bank, we sell HDFC FOREX cards, we sell ICICI FOREX cards, we also sell Thomas Cook cards. We are happy to say that now we have launched our own card. In 2019, we launched a BIN sponsorship card, which is a co-branded solution with YES Bank. And now in the last 6 months, we are happy to say we have got into the issuance space. So today you can see we have launched 3 variants of our FOREX card. One is for the leisure segment, one is for the business segment, and one is for the student segment. With this, WSFx as Global Pay signals its entry into the card issuance space and we feel this will be a big growth pivot for the company. So besides the cards, we have our Global Pay app, which is one universal app for all the card management.

So the last quarter was a key milestone for us because as you are aware, that we have been focused on corporate and student segment. But now our focus is more on the leisure segment. As you are all aware, student segment is under a little bit of pressure because of the geopolitical situation. So leisure is the key segment which the company has started focusing on. And in this regard, we are happy to say we launched our travel pay card during the last quarter. And we are happy to say that it has been received very favorably in the market.

So before we take up the result, we talk a little bit because since it's the annual result also, we talk a little bit about the opportunities and the challenges which we face in this industry.

So first I will take up the opportunities:

So obviously the big opportunity today is we looked at student and corporate, we have built a good base there. But now we see considering the global situation and we always feel that India is in a pivotal moment where our GDP is growing and with this leisure travel will go leaps and bounds. We feel growth in leisure travel is the biggest opportunity as of now and it's also validated by the LRS numbers.

Second, digital:

Now obviously, whatever we do, this is a strategic vision we had right from day one and we have built on it and we feel this is a key enabler for growth and where we can be also asset light and deliver solutions to our customers.

The third big opportunity, we are anticipating this year is FXC opportunity:

We discussed about it 2, 3 quarters back where we talked about RBI proposing to allow FXC model, which is about allowing FOREX Correspondence for AD2s and banks. Now this is something which has not still come through, but we are hopeful that this year it will come through, which will ensure that we have distribution reach through this network.

Now there is also two more opportunities we are looking at. One is obviously trade remittance, inward remittances through PA-CB and MTSS licenses. We are looking at this keenly. In terms of also looking at international expansions where we look at university platforms in remittance corridors etc. That is our two other futuristic growth opportunities we are looking at.

Coming back to challenges:

Obviously, every quarter we talk about certain key macroeconomic changes which has impacted our business. One of the impacts which has been there for the last 1, 1.5 years has been the TCS guidelines where there is a TCS of 5% and 20% when it comes to personal remittances in travel. The good news is now the limit of 7 lakhs has been raised to 10 lakhs which gives us some breathing space to do business otherwise credit cards are an unfavorable advantage here where there was no TCS applied on credit cards. Now obviously there is some relaxation there where up to 10 lakhs no TCS applies and that's an opportunity for us but TCS anyway impacts because the ticket size has gone small because of this.

Second major challenge has been declining in students FOREX, students business and we can also see the LRS from the LRS figures of RBI that the student segment has degrown by around 16% year-on-year. There has been significant restrictions in Canada. You're also seeing the restrictions imposed by in the US. Multiple restrictions through countries for students which has impacted the students business and we have seen a year-on-year degrowth here. And this has been a key area of growth for us.

There is also intense competition through banks and aggregators, which is part of the business. Corporate business where we have a key strength, is not growing as fast as we would have

anticipated because it's still not reached the pre-COVID levels because of technology and collaboration through VCs etc. While it is growing, it's still not reached that pre-COVID levels which it would have wanted it to be. Then obviously customer preferences because there are challenges when it comes to credit cards taking over a bit of our business because of the TCS part of it which is something which we are trying to resolve.

So in the next slide, I quickly give you the last 5 years LRS data which will give you a fair idea on how each of the key items in terms of outward remittance under the LRS is moving. So I have given you figures from 2021 to 2024-25. So you can see that the last 5 years may there has been a CAGR growth of 24%. But if you closely look at it, while post COVID there was a spur in certain segments like '21, '22 if you look at student segment, \$5.1 billion or you can say \$5165 million but today in '24-'25, it has dropped down to \$2.9 billion. And you can see 5.1 billion coming down to 3.4 billion, it was flat on '23-'24 and '24-'25 it is 2918, so there is a negative CAGR and also a negative year-on-year growth in the student segment.

If you look at travel, travel has been stagnant year-on-year, but of course the volume is bigger. Our family maintenance come down by 19% year-on-year. Gift has come by (-18%). These are the 4 major categories that we deal in and we have seen kind of stagnation or year-on-year degrowth.

So having you market outlook, we are coming to our Q4 and YTD performance highlights:

We are happy to say that we have grown year-on-year and this year also we have reported good results, good growth over the previous year. I have given you the last 4 quarters number. In Q4, we have done Rs. 1,415 crores of gross turnover. For the year, it is Rs. 5,722 crores of gross turnover. We have done a PBT of Rs. 1.28 crores for Q4 and for the year we have closed at 6.63 crores INR. But at the PAT level, Q4 was at a loss because we had to take a deferred tax reversal which has ensured that PAT is at (-2.10), for the whole year PAT is at 3.47, after OCI it's 3.24. So if you really look at Q4 '24-'25, PBT was at Rs. 1.28 crores, 28% year-on-year growth over the last Quarter 4 and for the year, we closed at Rs. 6.63 crores, which is 61% year-on-year growth over the previous year, where we closed at Rs. 4.12 crore.

The major impact, as I explained to you, on the PAT level, at the PBT level, where we have grown, PAT level, it looks lesser than last year, where we closed at 4.12. Today we are at 3.24, is only because of us taking a deferred tax reversal, which doesn't affect our cash or business fundamentals. So from a growth perspective, we have been consistently growing for the last 3 years in all of our segments, be it corporate, be it student or our retail segment. And also we have been slowly able to increase our digital penetration. So in light of the overall performance at our consistent growth, where we moved from Rs. 1 crore plus of profit to Rs. 4 crore plus, now around Rs. 6.55 crores of PBT. We also wanted to go back to our old dividend policy, and we have now this year recommended Rs. 1.5 per equity share of the face value of Rs. 10 has been our recommendation. Last year we recommended Rs. 1 per share. This time we are going back to our old level of 1.5 and we have recommended a dividend of Rs. 1.5 per share subject to

shareholders approval. So we feel that the investors also need to be rewarded having waited patiently for us to recover.

So quickly we go to the next slide where we give a comparison:

When you look at comparison of Q4 over Q3 numbers, we have shown 24% growth in gross turnover clocking Rs. 1415.95 crores against Q3 of Rs. 1143 and the PBT of Rs. 1.28 crores over Q3 result of Rs. 1.16 crores which is a 10% growth. When we compare Q4 of this year over the Q4 of last year, again we have grown, we have had a 11% growth and at the PBT level we had a 28% growth where clocked Rs. 1.28 crores last year Rs. 1 crore. Then comes the year-on-year comparison where as I have told you this year we have clocked Rs. 5722 crores against last year's Rs. 4853 crores which is 18% growth year-on-year. At a PBT level, we had a 61% growth where we closed at 6.63 against 4.12 the previous year.

So the next page will give you the quarterly trends where we have given you granular data. I have covered most of the things, but this gives you a representation on how the company has been performing in the last 8 quarters. You will find out that every quarter we have grown. In fact, there is a seasonality in our business of Q2 where we have always seen a spike, but Q2 to previous Q2 we have grown, Q3 to Q3 we have grown, Q1 to Q1 we have grown, Q4 to Q4 we have grown and overall as I said we have shown a 61% growth in the PBT level. Here we talk of the next slide we talk of the comparative charts between revenue and expenses. So at a revenue, if you really look at it gross revenue this year was around Rs. 86.51 crores. Five years back, we are giving the 5 years data to give you an idea on how the growth has been because normally we used to give quarter-on-quarter which was not truly reflecting the growth. At this time around, we have given you a figure where we can show you the last 5 years how the company's gross revenue has grown, from Rs. 20 crores we have gone up to Rs. 86.51 crores, which is a CAGR of 44.07%.

From a selling expenses, we were at around Rs. 16 crores. We have moved our expenses gone to Rs. 34 crores because of course we had to invest on people, technology, marketing, and at a CAGR of 21.52. So our aim is to build a scalable digital model where our revenue is at a higher pace than the expenses. Cost efficiency has been a overriding thing which we have tried to do through our digital initiatives.

Going to the next slide, here we talk of a very important segment for Global Pay, which is the student segment. To just give an idea, the market has degrown, but we have grown year-on-year, even in this segment. That's something I would like to say. We have gained market share. The market is around US \$3 billion, in fact 2.9 something, 16 % degrowth year-on-year. From a company's perspective, we have got a strong 400 plus B2B network of agents, education loan providers, consultants etc. We have got a platform, both the FPaaS platform, plug and play platform, and the smart agent platform here for our channel partners. The product here is primarily university fee payments. That is the big one. And also along with it, living expenses and FOREX cards for when they travel.

These are the three main products – Remittances, Cards and Currencies. Besides that, we also sell some other products like travel insurance etc. Here also if you really look at it, we have given a 5 years growth pattern in terms of GTO and we have grown the CAGR of 46.10%. Last year, we handled 35,000 plus students and as I already mentioned 400 plus consultants. This is the key area.

Obviously, this year we are seeing some degrowth. But then again as I said, over the period only, we will know how this segment is going to move. But we are well geared up to gain market share here with our tie ups and all.

So next slide, we talk of the corporate business, which is again a very important segment because student and corporate has been a key focus for Global Pay. This market is estimated anywhere between \$2 to \$3 billion. Today we have around 850 plus corporate customers. We have key customers like Accenture, Siemens, EY, Zoho, Tech Mahindra, Reliance, Mindtree, Godrej, Titan, Adani, etc. We have a platform. We are one of the companies which has platform for every customer segment. We have a smart corporate platform through which the corporate can do the FOREX ordering, and the main product is FOREX card and currencies. Here we have grown in the last 5 years at a CAGR because this corporate business went completely down during COVID. We have had a smart growth. We are now at a CAGR of 114.21% in the last 5 years.

Third is the retail where we talk of leisure and personal remittances, which is a very big segment. You must have seen around \$17 billion in LRS. We anticipate the segment to be 12 billion because a portion of it goes on tour remittances. Family maintenance and gift is around another \$6.5 billion. This is an area which has become the new focus for Global Pay. So now from students and corporates we are now focusing on the leisure segment in a big way. Obviously, this segment has also slowly moved away from currency to prepaid FOREX cards, and we feel there is a big growth opportunity considering we have launched a specific product for this segment.

So here, what is the advantage we have? We have 21 branch network which can cover the customers. Also, we have our digital offering. The primary product here is FOREX cards, currencies and remittances. Here also if you see, over the 5 years we have shown a CAGR growth of 47.09%.

Coming to FOREX Cards, we moved from distributor to a co-branded partner to an issuer. And this has been our journey in the last 5 years, 5 to 6 years. And we are happy to say that now we have launched our card products and this is expected to be a big growth area for us. And last 5 years pay we had a CAGR of 96.41% growth in this area.

Next, we talk of remittances which is a big business for us because this constitutes around 65% of our business. Here we have grown at a CAGR of 40% over the last 5 years. So this is our standard template result, I have already covered everything. We have done a PBT of Rs. 6.62

crores against last year Rs. 4.12 and a PAT of Rs. 3.24 crores against last year's 4.04. So when we do all these things, we also understand that we have to always be true to the core values which we have as a company that is trust, transparency, convenience and compliance.

So when we look at the four pillars, digital is a key pillar for us, where we have an omni-channel network and the 21 branches, we have digital platform, we have process optimization and cost optimization. We have a strong corporate governance framework as a listed company with independent boards, audits, external auditors for concurrent, internal. So we have a strong audit process in place. Compliance is something very core to our business because as a regulated entity, whatever we do, physical business, branch business or a digital business, compliance is key. KYC in terms of internal processes, security in terms of beneficiary verification, in terms of fund verification, everything is key to us. And this is a strong pillar and we are happy to say we have got a good reputation here at a good standing.

Last but not the least, customer centricity. We have to be close to the customers. And we are happy to say we have been able to retain most of our customers over the last 10 years. Most of the customers have been with us for a... Some of the customers are there for more than a decade now. So this is something where we have inbuilt all these 4 core values into the culture of the company.

Before we close the presentation, a brief look at the way forward, which is something we are very consistent. We don't keep on changing it. We are very clear about this year. The focus is on D2C, leisure and retail, because already we are strong in corporate and student. This is where we are doing a lot of work. We are looking at marketing, we are looking at marketing automation, we are trying to leverage of digital platforms in a big way and you will see lot of activities on building WSFx brand, a global pay brand into the D2C space.

Second is big opportunities, what we are looking at is the FOREX card issuance which I have already given you in detail. We have already launched the product. We have launched the single currency card variant. We are shortly launching the multi-currency card variant and we are looking at it as a big opportunity both in terms of direct sales and channel sales.

Two or three more things are little futuristic but are important growth pivot which is PACB license which the company is working on it to apply to RBI. Distribution and FXC very important for us, distribution from a card's perspective and FXC if that comes through it will be a big boost for us because then it will help both in terms of spreading our reach to customers far and wide.

We are also working on a platform which will help the students for making the fees seamlessly and that's one activity which we are working on parallelly. When we do all these things, our focus has always been on digital first because that is the strategic vision which was formulated by us when we looked at students, we looked at corporates and then digital. These are the three pillars. Now of course we have added the leisure segment to this strategic pivot also, strategic

vision. And we will be focused on all these 4 things and drive business because our idea is to do things or create solutions, products which create long lasting value because the real thing is that we need to figure out how to in a very competitive world where you can see there are a lot of macroeconomic changes, how do you stay relevant both in terms of business in terms of gaining market share and in terms of innovation. We try to marry all these things together to ultimately build shareholders value and I think with this, I will come to the end of my presentation. Thank you everyone for being patient and listening to this. I will now like to hand over the conference to moderator. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Aniket Gada, an individual investor. Please go ahead.

Aniket Gada: Hi, congratulations on a good set of numbers. I just wanted to, you gave a detailed presentation on an explanation of what the company is doing. I just wanted your view for the next year, like how are you going to navigate all the three segments in numbers, like how much are we expecting to grow, what's the goal post, all the three segments?

Srikrishna Narasimhan: So essentially, I cannot give you numbers because it will be leading statement. But as I said, year-on-year, we have been growing. That is what I showed you the trend of all the segments. Obviously, Student segment is under pressure. You are all aware, even today, yesterday, we got the news that student's visas are temporarily on hold in US. So there are headwinds on the student segment, but obviously last year also it was headwinds. So the company has grown, despite the market degrowing, the company has grown. That is about us gaining market share, so our idea will be to gain market share because the market is not growing in students. But what is in our hand is to gain market share in Student segment. Cooperates, we are growing, year-on-year, we are growing. We are very confident there, but corporate is not showing the degrowth, it is showing a slow growth only. Leisure is growing, obviously, the first 2 months has been little difficult because of various macroeconomic factors. But India as a country, Leisure travel is growing and there is analogy, I can tell with respect to China's growth. India's growth is what China was some 10 years back. And China's growth over the 10 years, when the GDP grew, the Travel also grew equally. When the GDP grew fivefold, the Travel grew fivefold. So we also feel India is going the same way and that is where the company is saying, okay, let us focus here because this is something which is growing, which has grown very sharply and this is the time where we focus here, which was not a primary focus for us earlier because of smaller ticket size and we are currency intensive business. We are trying to get there to offset any dip in the other segments. So this is what the company is looking at. So we are focused on trying to drive growth in all the businesses. And despite whether the market goes down or up, our focus will be to either get into, catch the wind for what you call it, the Leisure segment, when it comes to student, gain the market share and corporate drive growth in a faster manner.

Aniket Gada: Thanks. In the Student segment, traditionally, our business was mainly remittance. So now we entered into the Student Pay Card, so have you got a good response from it regards like anyone who wants to remit for university fees is also buying a Student Pay Card or there is some

percentage in like 100 people are applying for, pay using our platform for paying fees, but only 50% are using so any such number, sir?

Srikrishna Narasimhan: So essentially remittance is bigger because remittance straight analogy we cannot create because remittance is happening 3 or 4 times a year because of the terms. But when it comes, our focus is to card every student, but many times, in some of the like geographies, they don't take too much of foreign exchange like Canada, hardly a few currencies, they take a little bit of currencies only, but when it comes to other places like US, UK and all, when they travel, that is when they pay the fees now and then they travel on September, they do take a little bit of foreign exchange, maybe \$1,000 to \$5,000 for their living expenses. And for 3-6 months, they do load the card. After 6 months, we have found that people move away from cards because they open the bank account. So our focus today is obviously the attachment rate like card attachment to remittances is something which we are driving. In fact, it has been a key focus for us to ensure that every student gets a card, whether the load is small or big, and that drive is on. Of course, today, you may say that is not 100%, but our aim is to take it to 100% levels.

Aniket Gada: Thanks for that. Other thing is just you mentioned that they opened bank accounts and is there, like advantage for them to opening a bank account than using a Student Pay Card?

Srikrishna Narasimhan: So essentially, this is the FOREX prepaid card, right? It has its plus and minus. So whenever a student goes overseas, after a point, he opens an account because he needs, it is like a bank account where, see here, there are a lot of select MIDs will be blocked also. When it is a FOREX prepaid card, there are certain things which we allow, certain things are not allowed. Sometimes it may not work in certain MID's because of a risk perspective. And when you are there locally, most of the people try to stay after 3-6 months, they try to get a bank account because more in terms of getting the family maintenance, like living expenses, like parents have to transfer money for their living expenses, etc. So invariably an account is opened. While we try to, what do you say, we would ideally want the student to use our card throughout this 2 years or 1-year period, but invariably, while we fine tune our product to ensure that it becomes a companion for him, but invariably this is the statistics where we find that people do take a bank account and use the local debit card because they find it much more easier. They deposit whatever if they earn something also, they deposit in the bank account and that becomes they use it. But our idea is to see how we can address this need also and that is something that is where we talked about the international opportunities, newer banking solutions which we have always been looking at, whether we can do something in that space also, where we can provide in some solutions, there has been a thought process. And also try to fine tune how we can ensure this offering also meets all his expectations.

Aniket Gada: It has been good, like first he was just remitting the amount. Right now, we want to be in the whole journey of the student. That is a very good thought process, and I appreciate you for that. I wanted to like go on the corporate side right now. Now, corporate, like news came out of the tariffs and all and the companies right now not going abroad for meetings and just doing it via

concall or e-mail. So are you experiencing any such that like lower revenues for the 4th quarter from the corporate side?

Srikrishna Narasimhan: So corporate side, as I said, no WSFx was focused on currencies, long back 5-6 years back, 30% of the revenues was currency. After that it was remittance, a small portion was corporate. So from our perspective, we have only been growing in corporate because we didn't have a corporate base 5-6 years back. So whatever year-on-year, we have been only growing because we are acquiring market share. If we have already acquired a market share, there is a question of degrowth whereas we have only been in the acquiring mode. So today, we have established a business. Once we go to the next level, then we can think of whether degrowth or something. Today, we are gaining market share because this was not a business what we had 5 years or 6 years back.

Aniket Gada: And this is completely on platform, right, complete on platform, the business?

Srikrishna Narasimhan: Complete, I won't say. We have around close to 50% on the platform because bigger companies are more ready to get into the platform. There is some resistance by smaller companies. We are working on it, but our aim is to at least reach 80%.

Aniket Gada: And on the same regards, the PA-CB license, I had asked about the PA-CB license also 6 months back, where are we on that on the timeline?

Srikrishna Narasimhan: So we will be applying it shortly because we had to work on it. We had to take approvals, etc. So that is something which has done. So we will be very shortly doing this. We will keep you updated on it because that is something as I said, whatever we put in our last slide, we work on it and we like our FOREX card issuance was there for nearly 1 to 1-1/2 years if you remember. And then we launched the card, right? So it takes a lot of work to get things done. There are a lot of processes, maybe certain approvals we have to take internally and also take some NOC's, etc. That is all done and now, we will be shortly going ahead with applying for license. So then again, it will take some time for the licensing. Once you apply, it doesn't mean that you get it right, it takes time.

Aniket Gada: Yes. So are you applying for the export or the export and import both because?

Srikrishna Narasimhan: For both.

Aniket Gada: And like timeline for applying like next 2 months, 3 months?

Srikrishna Narasimhan: That is our idea. That is the idea that we will apply it within this quarter or max before the next quarter ends.

Aniket Gada: Because the competition is growing, PayPal got the license yesterday.

- Srikrishna Narasimhan:** I know. We are following it. It is an exciting opportunity. Everyone is excited about it. As I said, priorities are there. So our card issuance priority is over now. Now, our priority will come to this part of it. In fact, I have talked of 2-3 licenses also in the first screen, which is all interesting like MTSS, PA-CB, etc., so next priority is PA-CB.
- Aniket Gada:** On the same PA-CB part, do we need any new IT infra for this or same platform will be used for the PA-CB?
- Srikrishna Narasimhan:** So our same platform cannot be used. While we have an infrastructure from an acquisition perspective, we have teams which can be used, but from an IT perspective, we need to build a platform, or we need to use a DSP or something to do this.
- Aniket Gada:** So even after getting the license, we will be probably working on the infra space and then rolling out, maybe not just your?
- Srikrishna Narasimhan:** So initially, we may do the plug and play instead of trying to build an infra, right, when we launch a card today, we have the issue, we use the DSP, right? It is always about 'make or buy', right. You can figure it out. There are multiple models of doing things, right.
- Aniket Gada:** Yes, that is true. On the travel space, you just said that you are using your digital platform and branches for growing business. Is there any focus on getting the tour operators in as well because I am not sure like how empirically my data is, but from my surrounding people usually do their product cards from the tour operators themselves, get the currency from the tour operators themselves, so are we doing that any on that?
- Srikrishna Narasimhan:** Earlier, we are working with quite a few leading tour operators. In fact, you will be seeing a lot of redirections. In fact, we are there in EaseMyTrip also recently. You can get redirected for FOREX to our website. We are also working with leading expense management companies like Zaggle. We have also got some 200-300 agents who are working with us. Shortly, you will see the digital enablement also for all these people where we are collaborating with them both on the traditional sense and also in the digital sense.
- Aniket Gada:** On the final thing regarding the platform, on the slide, it is mentioned that 60% of our business is run through platform. Does it include the agents of ours?
- Srikrishna Narasimhan:** Yes, agent also because agent platform drives quite a few of our agents business, corporate for corporate ordering. We need to see everything put together, but our idea is to slowly pivot from that 50%-60% level to the 80% level.
- Aniket Gada:** Because when I see the financials, the brokerage and commissions from a revenue perspective are constant year-on-year, so I was just assuming like how this platform figure of 60% came, so that is?

- Srikrishna Narasimhan:** So actually, see if you really look at it, we are a more enterprise and a B2B company. You understand, because our major business comes from our B2B partnerships and enterprise and B2C is going to become the focus where we will see more of that direct to customer thing growing. So when we talk of digital, we talk of all the platforms put together only.
- Aniket Gada:** And going back to the PA-CB and the MTSS, we had MTSS license like a few years back like 5-6 years back, right?
- Srikrishna Narasimhan:** We had an MTSS license nearly 8 years back, which in fact we sold to EbixCash at that point of time.
- Aniket Gada:** Right now, we are just thinking about we are not like?
- Srikrishna Narasimhan:** No, look, there is also step by step process. Today, we have gone into FOREX card issuance was a key focus. Digital was a key focus segment, was a key focus. FOREX card issuance was the next big focus, now we have launched our product. Now, we have to scale it up through distribution etc. Next is PA-CB. So we would like to take a calibrated approach of one thing at a time, so that we can do justice to everything we take it up. We don't want to take it everything together and it may not be easy to manage, but as I said, it is all in the road map.
- Aniket Gada:** I think this is quite a long road map. I think it is not like next year or something because this make sense like going step by step because PA-CB is also quite a difficult task to get approved from the RBI itself?
- Srikrishna Narasimhan:** By then, we will be able to establish our card issuance business in a big way. So next 6 months to 9 months, our focus will be on getting the Direct Card Issuance business into scale. By then, we will have the next engagement, like that we will build it.
- Aniket Gada:** And the card would be the AMC model or the merchant model?
- Srikrishna Narasimhan:** Pardon.
- Aniket Gada:** The card business, the revenue would be on the AMC basis, or we will get a percentage from VISA?
- Srikrishna Narasimhan:** So this is an issuance model, right? So we are an issuer now like a bank. So obviously the card P&L is based on usage.
- Aniket Gada:** So could you just run me through the revenue we will get from it. So I am not able to understand it?
- Srikrishna Narasimhan:** So it is a very complicated thing. So maybe we will have to discuss it separately. But in a nutshell, what we can say is when you are a distributor, you work on commissions. When you are an issuer, you work on the actual usage of the card, like how a credit card model works or a

debit card model works. There is a fee and a float, right. When you swipe a card, there is a merchant MDR which is then shared by the issuer and the acquirer and the network. So ideally, when you issue a FOREX card also, the usage-based fees which become the major part of your revenue. So when you use the card in post terminal online, there is an MDR. You must have heard of MDR when people say there should be MDR in UPI. This is the same MDR. This is concepts of MDR that is the Merchant Discount Rate or what the merchant pays the network, which is shared between the issuer, acquirer and the network. And this becomes a major fee component besides other fees which are there.

- Aniket Gada:** So basically, like VISA and MasterCard, how they make revenue, is the same model?
- Srikrishna Narasimhan:** Absolutely. It is all about, they are the network, we are the issuer. There is also an acquirer who gives the POS machine and all.
- Aniket Gada:** Finally, I would like to talk about the accounting thing. Ms. Pooja, I just wanted to ask on this deferred tax, right now we have use of around Rs. 3 crores. Was it the maximum permissible use for this year or could we have gone further and just wrote off the whole deferred tax?
- Pooja Mishra:** No, so deferred tax, the amount of deferred tax which is utilized that much is reversed. So last year, deferred tax was not taken because there was no virtual certainty seen. Now, for 2 years, whatever carry forward loss which was utilized since we were profitable, last year also we were profitable, this year also we are profitable. So the brought forward losses which are there, it is utilized, right. So the amount which is utilized is now reversed. So still we have some deferred tax in the asset which is around Rs. 2 crores or so. So in the next year, when it will be utilized that time it will be reversed. So basically, just it is an accounting entry. It does not have any impact on the cash flow. It does not impact our operating performance. It is an accounting entry.
- Aniket Gada:** Yes, so this Rs. 2 crores that we still have on the balance sheet, will we utilize on the quarter over the next year or will be the like divided on all the quarters?
- Pooja Mishra:** It is actually auditor's call, how they want to take it up. But yes, every quarter also we can show it. If they have visibility for the full year accordingly on a rough calculation basis, it can be done. But we get complete visibility only in the 4th quarter. Yes, because when we calculate the income tax and then we can pass this entry.
- Aniket Gada:** And what would be the tax rate after that that would be applicable on the company?
- Pooja Mishra:** It is 22%, right plus surcharge, so 25%.
- Aniket Gada:** So basically, after the Rs. 2 crores deferred tax usage; we will probably be paying tax next year.
- Pooja Mishra:** Yes.

Aniket Gada: On the employee benefit expense, there has been a degrowth, so is it due to the CTO resigning or there is like some?

Pooja Mishra: No. If you see year-on-year, there has been growth. Are you comparing with the quarter?

Aniket Gada: Yes, the previous quarter.

Pooja Mishra: So with the previous quarter, actually this quarter, there was a lot of expense on employees, which was done towards building the product when we issued our card. So that amount is capitalized. So if you will see year-on-year, there has been growth in employee cost, but that has been reasonable growth for the new hires which are done for the growth of the company.

Aniket Gada: That I can understand. I just wanted to know degrowth from quarter-on-quarter that was a 40 lakh because of the CTO resigning?

Srikrishna Narasimhan: He has resigned long back, right, 3-4 quarters back. So it won't have an impact on the last quarter.

Pooja Mishra: Yes.

Aniket Gada: On the other part, one the ESOPs, how much ESOPs are we issuing this year for FY '26 and what will be the valuation?

Pooja Mishra: New brand. See, we already have some 17.5 lakhs of ESOP which was as per 2018 ESOP plan. And out of that only the ESOP issue and new bands are done. We are still left with around 1 lakh shares to be granted. Post that the company will again come up with some other, with the next plan, then we will have some impact on dilution and all. Dilution is on exercise basically, so as the employees exercise that time, we will have dilution.

Aniket Gada: Because there isn't a sizable increase in the number of shares of?

Pooja Mishra: Yes, because our company has been doing good. So people are now exercising their ESOP.

Aniket Gada: And the expense would be around how much for the next year?

Pooja Mishra: Which expense?

Aniket Gada: ESOP expense because the company accounted for around 51 lakhs this year, for next year, what would be the?

Pooja Mishra: See, the calculation of ESOP is based on the actuarial valuation. So actuary value when they give us, yearly, we get a valuation report from the actuary. They check the current market price and accordingly, they do a calculation and send it to us. Accordingly, we are supposed to take it in books.

- Aniket Gada:** So can I assume like around 50 lakh would be that because 1 lakh issuance is there, right, so?
- Pooja Mishra:** No. So for 1 lakh issuance, it is not 50 lakh because 1 lakh issuance, it is always ESOP is that the exercise of ESOP is over a period of 3-4 years. It is not that we give the ESOP and the employee can, there is a vesting period which is there. And in the plan it is like 30-30, their percentage is attached. So the entire thing does not come in 1 year.
- Aniket Gada:** But there is still 1 lakh odd ESOPs remaining like that to be exercised, right?
- Pooja Mishra:** No, not exercised, granted. Exercise of ESOP, I will have to check.
- Aniket Gada:** Yes, sure. Other than that on the dividend thing, like Sri said we are looking to grow business and I wanted to ask a shareholder like it is a massive dividend payout like 50% of EPS is going for dividend. I just wanted to ask like, if you are going to grow like much higher than the market, is it like why is to pay such high dividend, otherwise just use that for internal accruals to gain more business?
- Srikrishna Narasimhan:** See, last year, we were a dividend paying company for I think last for 7 years, we would have paid it 3 times. So we had pegged it at 1.5, right. And when we were at loss, we stopped paying dividend, but it is a good thing that when the investor is waiting patiently to also reward him, the company performs. So last year, when we became profitable, there was a discussion whether we should go to 1.5 or 1. At that point, we decided that let us be prudent. Let us see for one more year before we come back to the 1.5 levels. This year, when we grew from Rs. 4 crores to Rs. 6 crores, we felt prudent that this should be a signal to our investor also that we are considering their interest also. Parallely, the company's liquidity position is also very good. We are able to get, thanks to our consistent profitability, we are able to also raise our capital for our growth plans etc., because the capital requirements are much higher than maybe 50 lakhs of dividend which is what would have been the difference between Rs. 1 rupee and Rs. 1.50 paisa. So we felt it is prudent that it should also signal that the company is quite confident in terms of growth. And we want to reward the shareholders at the same level which we had pegged at. So that was the thought process which was discussed at the board level and the board had decided on that because various options were discussed and the board decided that this will be the right thing to do. And that is why the Rs. 1.5 per share has been recommended.
- Aniket Gada:** Sri sir, I just wanted to ask we do have enough internal accruals for the growth for the next year, right?
- Srikrishna Narasimhan:** I didn't get it?
- Aniket Gada:** So I am just asking, do we have enough balance in our books to grow or will we require some external financing to grow for the next year?

- Srikrishna Narasimhan:** We have capital, we also have borrowed, we have banking limits through which we drive our business because capital requirements are always there in our business, the higher we grow we will have requirements. But that is where we also take limits from banks.
- Pooja Mishra:** But it is all a temporary requirement because we immediately get the payment also from the customer. We are not giving much, most of the things on credit right, only our corporate business is on credit, the rest of the businesses are not on credit.
- Aniket Gada:** Yes, because there is an RBI rule like you have you need to have certain percentage of GTO as fixed deposits is the banks side for the remittance.
- Pooja Mishra:** No. So that we have enough that is that you are talking about our net owned funds requirement which we have enough.
- Aniket Gada:** And apart from that, the card business and all I just wanted a clarity on that. We have enough funds to pay at last grow the business. So yes, thanks a lot for answering my questions and I hope we have a very good year.
- Pooja Mishra:** Thank you. Thank you so much.
- Srikrishna Narasimhan:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Srikrishna and Ms. Pooja Mishra for closing comments.
- Srikrishna Narasimhan:** I would like to thank everyone for joining us on this call. It has been a pleasure. For any further queries, you can write to the Company Secretary or visit our website. Thank you once again and we request the moderator to conclude this call.
- Pooja Mishra:** Thank you so much.
- Srikrishna Narasimhan:** Thank you.
- Moderator:** Thank you so much. On behalf of WSFx Global Pay Limited, we thank you for joining us and you may now disconnect your lines.