



Veefin Solutions Limited

(Formerly Known as Veefin Solutions Pvt. Ltd.)

CIN: L72900MH2020PLC347893

Date: October 30, 2024

To,
BSE Limited
The Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street, Mumbai – 400 001

Ref: Scrip Code: 543931
ISIN: INEQ0M01015

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the earnings conference call for the half year ended September 30, 2024

Dear Sir/ Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the half year ended September 30, 2024, conducted after the meeting of Board of Directors held on October 28, 2024, for your information and records.

Kindly take the above information on record.

The information in the above notice is also available on the website of the Company www.veefin.com.

Thanking you,

For Veefin Solutions Limited
(Formerly Known as Veefin Solutions Private Limited)

Urja Thakkar
Company Secretary & Compliance Officer
ACS 42925



**“VeeFin Solutions Limited H1 FY '25 Earnings
Conference Call”
October 28, 2024**



**MANAGEMENT: MR. RAJA DEBNATH – CHAIRMAN AND MANAGING
DIRECTOR
MR. GAUTAM UDANI – CHIEF OPERATING OFFICER AND
WHOLE-TIME DIRECTOR
MS. PAYAL MAISHERI – CHIEF FINANCIAL OFFICER
MS. URJA THAKKAR – COMPANY SECRETARY AND
COMPLIANCE OFFICER**

Moderator: Ladies and gentlemen, good day and welcome to the Veefin Solutions Limited H1 FY '25 Earnings Conference Call.

From the Management Team of Veefin Solutions Limited, Mr. Raja Debnath – Chairman and Managing Director; Mr. Gautam Udani – Chief Operating officer and Whole-Time Director; Ms. Payal Maisheri – Chief Financial Officer; and Ms. Urja Thakkar – Company Secretary and Compliance Officer are attending the Earnings Call.

As a reminder, all participants are in a 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 touch tone phone. Please note that this conference is being recorded.

Please note, this conference call may contain forward-looking statements about the company which are based on the belief, opinions and expectations of the company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Raja Debnath. Thank you and over to you, sir.

Raja Debnath: Thanks a lot. And thanks to all of you who have joined in for today's Earnings Call. There are three things that we will cover, three sections “Recent Past, Performance Review and What's Next”.

You have seen a lot of news of Veefin in the recent past, I thought this is a good opportunity of taking you all through what Veefin is going through right now. If you remember the last earnings call, Veefin at that point was one company, which was Veefin Solutions Limited, which was in the supply chain financing and the digital lending space. This is a very busy slide; I know this is very busy and I have color-coded them also. So, there are three colors that you see here.

There are three solutions that we are offering or three types of solutions. One is a solution only to financial institutions which are banks. Second are solutions which we offer to corporates. And third are solutions that we are offering to banks and corporates. So, these are names that you see here, Veefin Solutions, Veefin Capital, Infini System, GlobeTF, these are all companies. So, Veefin Solutions is the parent company. We have four subsidiaries, Veefin Capital, Infini System, GlobeTF and Estorifi Solutions. I will take you through each one of these in a while now.

Now, Veefin Capital is our NBFC arm, it's an NBFC factoring company. This is what we have applied a license for. This is the arm which will do securitization of trade receivables. And this is a very big market in India, potential, not actually right now. And we expect to actually create the trade securitization market in India. What trade securitization means for all of you is, you have large corporates with account receivables. If we take those receivables, we put them into a special purpose vehicles, do some credit enhancement on top of it and then go and sell them to investors in the market, investors could be mutual funds, HNIs, banks themselves, that is a trade securitization deal. And that's what we believe is a large market which will unlock working capital for SMEs in India. That is the first subsidiary that we have.

The second subsidiary, let me go to the right-top corner, is GlobeTF. GlobeTF is a subsidiary which is going to focus exactly the way VeeFin Solutions focused on supply chain financing. This will focus on transaction banking, which is on building out a cash management and a trade finance product, that's where it will go. And we have already started work on both of these products. There's a dedicated team which is working on this, and we expect to get the MVPs of these products out early next year.

If you come down here, then it's Infini System, this is the third subsidiary. Infini System is a subsidiary which is focusing on fraud and risk. India has hundreds of API providers; we are bringing all of that together. Because if VeeFin Solutions itself is the platform which is providing the underwriting solution, and the underwriting solution is the one which is going and connecting to these various API providers, our thought process is, why should we not own right system ourselves? So, that's the API gateway and the fraud and risk services that Infini System will provide.

Under Infini System, there's another company that we have acquired, which you all know of, which is Nityo Tech. Nityo Tech is a company which is the Indian arm of Nityo Technologies Global Company. This company's role is of working with banks on digital transformation and custom solutions. That's what they do.

If you move on to the right, you have Estorifi Solutions, which is again a subsidiary of VeeFin. This houses the PSB Xchange program. We are all familiar with people who have invested in VeeFin, they would be familiar with this. PSB Xchange is where we are creating the world's largest supply chain finance ecosystem. This platform is a bridge in India between the lenders on one hand and your banks on the other. So, emphasize that you will have hundreds of lenders on one side with one single connection to this platform, getting access to fintechs, marketplaces, e-invoicing players, logistics marketplaces on the other side.

Under this, we have acquired two more companies. I know there's a lot of acquisition companies, let me tie it all together after we finished this. Regime Tax Solutions, which was our first acquisition. This is a company which has products like PayInvoice and TaxGenie. This basically helps corporates in automating their account receivable and account payable process. If you just imagine, large corporates have an accounts payable team, it receives invoices from their suppliers. Accounts payable team then matches their invoices with the purchase orders which have been sent out earlier.

They do various checks before it goes to the checker. So, this entire piece of maker, the job of the maker in accounts payable process is digitized. So, we digitize the invoices, then we run hundreds of business rules on it, and then it goes, and it's pushed into SAP. It's an SAP certified product, it goes and sits within the SAP in SAP cockpit. That's what this does. It also solves for the problem of GST input tax reconciliation, a big pain most of us know in India, it solves for that pain. It also has something which is called a supplier portal which allows suppliers to send e-invoices at a click of a button to the corporate and are able to see the status of the approval process of the invoice in their supplier portal itself. So, this is the PayInvoice solution.

The last company on this slide, the last company that we have recently acquired is Ezee.AI. Now, Ezee is a great product which has a no code business process management platform, on top of which we have built out a loan origination system and a collection management system. So, this is the VeeFin universe.

So, if you look at this, what is the story that comes out? The story is, VeeFin is trying to play across right from when a supplier raises an invoice or receives the purchase order, right, from that stage, to following the supplier and the corporate across the entire journey where today that journey is completely outside the banking system. So, we are capturing that entire journey. Once the supplier then comes into the banking fold, then using our expertise on the lending side, on the origination side, using fraud and analytics to underwrite the customer, and then moving on to the loan management system or the supply chain side. If it's a traditional loan, then a traditional loan management system. And then moving on to if needed, the cash management side and the trade finance side. So, that is the entire end-to-end journey that we are trying to capture using this. More on the fact of these acquisitions a little later.

I am pulling out some numbers here. So, now we have been 5-plus years in existence, and we have jumped to 500-plus clients now. So, across the group we have 500-plus clients. And our team size, last year if you remember, we were under 200, and now as a group we are 1,000-plus, and we are growing. And we will continue to grow thanks to the support from all of you.

We get a lot of awards, and this is something that we are extremely proud of. The team is working very hard. Some awards I want to share here. The most special ones are the ones at the top which are the IBS Intelligence award. So, as you will see, IBS-I runs a sales league table, so the sales league table basically is a league table for all tech vendors globally across various products. So, last two years we have been ranked number one in wholesale transaction banking. And I think that speaks volumes to the kind of work that our teams are doing and the love that the clients are showing us. So, last two years, number one in wholesale transaction banking.

We have a clutch of other awards when it comes to the impact that we have, in terms of our implementations that we have. But deal number one, that's special. Some other awards which are very close to our heart are our HR awards, what we get on the Great Place to Work or recently that we got on The Economic Times Future-ready Organizations, or with the Business World Fintech award, Business World Awards where we again got an award for HR.

And this is important because, happy to share that our attrition levels are next to zero. And that's what, I am again repeating it. Our attrition levels are next to zero. And as a tech company, that's something really proud, that we are very proud of that because the industry average is 24%. So, against the industry average of 24% attrition, we are nearly zero. And it goes not just to these awards, awards are a reflection of what we are. But something that we work on a day in, day out basis, I think that is our single biggest differentiator when it comes to what we are vis-a-vis we any other company, any other tech company in the industry right now.

Every single person in the company, and I say it, every single person in the company is on ESOPs. So, we are one of those rare companies which are 100% on ESOPs. So, what we are trying to do is we are trying to create not just an exciting place for people to work in, but a place where everybody has an opportunity to create wealth. And if you have noticed, in our job description we usually put that this will be the last place that you will work. And that's what our intention is that you come here, we hear a lot in the market nowadays in terms of stress, burnout, that's a topic which is going on right now. But the team that we have, the culture that we have created, that's the big differentiator for us.

Again, another recognition last year, December '23, first time ever there was a evaluation of tech vendors in the supply chain finance space globally and Veefin first time, in first time itself we came out as one of the top two leaders in the industry. This is again something which our clients are very proud of when they are choosing us.

Moving on to some numbers, and happy to share that our numbers have kept pace with all the awards, because getting awards is one thing, but then they have to translate into numbers also. So, as you will see on like-to-like basis compared to last year, our revenues have grown more than 100%, our EBITDAs have more than grown by 200%, and same on the PAT side. So, the numbers are looking very good. Same on the EBITDA margin, the EBITDA margins have gone up, our PAT percentage has gone up. These numbers I leave with you, these numbers will already have been uploaded on the website.

You can see the deal wins. We have won 13 deals in the first half of the year. These are on a standalone basis; these are not consolidated. Because right now, as we speak, we are still doing the entire consolidation of the operations. So, right now I am sharing with you just the deal wins on an individual Veefin basis, 13 on the Veefin and 9 go-lives, go-lives is also again important. It is a SaaS company; we start making revenue once we go live.

And this one is something which is very, very heartening. The love that we are seeing in the market and the leads that we are getting. So, if you look at the number of pursuits that we had at the beginning of this year, it was 92, and we added 130 new pursuits in this year. That's a telling number. There are companies in this space who do these number of pursuits maybe in the 10 years, we have been able to get this level of deal flow in the first six months of this year itself. We are just coming back from some events, we do a lot of events, as you all know. People who follow us on the social media know that. We are getting a deluge of leads coming in from all shapes and sizes, and from all quarters.

Our website itself is a huge source for deals where we get a lot of incoming deals at any point in time. So, as of 1st October 2024, the team was working on 184 pursuits. 184 pursuits, let that sink in. 184 pursuits is what we are working on. So, what this means is, either today or tomorrow a bulk of these deals will get converted. So, even if 50% of the deals get converted, we are talking of, based on deals that we are sitting on, 90 deals that we will close. These are the kind of numbers that are there.

So, there's one slide which is there on the financial numbers, so maybe Payal, you can take that slide, and I will then come in on the last piece then.

Payal Maisheri:

Thank you, Raja. So, yes, good evening all the shareholders, investors. We are proud to present our results for half year '25, H1 '25. We see good revenue growth of 111%, to be very precise.

Like Raja just mentioned, the revenue growth is primarily to the new client deals that have signed 13 days plus the go-live clients. Also, I would like to add that here is one more factor that is added to our numbers, it's also a few consolidations from our recent acquisitions. So, with these recent acquisitions basically we are better positioned than ever to accelerate our growth trajectory. So, basically these are companies with great founders, great expertise, great products, and they have great potential growth. They reach the threshold wherein Veefin can drive their success and can drive their business models. So, these are some strategic acquisitions that we have done. And I think Raja will explain later, our future or what is next. But yes, been successful in acquiring these companies and they have added to the consolidated revenue figures for H1 2025.

Apart from that, I would want to proudly announce that we are an 100% ESOP company. This initiative mainly aligns with the interests of the team members with the company for the long-term success. So, while this commitment does have a slight impact on our PAT, our EBITDA margins, but it strengthens our culture of ownership and collaboration, which we believe will drive the future success. So, yes, so as mentioned rightly by Raja, our EBITDA margins have also increased to 18% and PAT margins to 14%.

Over to you, Raja.

Raja Debnath:

Thanks, Payal. To the question which is in your minds is, what next? What next for Veefin? Veefin is doing a lot, but what next? So, let me assure all the investors that Veefin is very focused on three things; we are focused on product IP, we are focused on revenue, and we are focused on profit. So, these are three things which we are focused on. So, therefore, we will continue our acquisition spree. So, we will continue, we will keep on acquiring companies. We have acquired three till date, there are quite a few more which are already line up. And we will continue acquiring companies for all these three, will continue acquiring companies for IP, we will continue acquiring companies for revenue, we will continue acquiring companies for profit charter. This will keep going on.

If I just give you a forward-looking view. March '25, our expectation is that we will end at close to Rs. 120 crores top line, that's what we are looking at. So, from a Rs. 19 crores, Rs. 20 crores top line right now that you are seeing, March '25 is going to be crossing Rs. 120 crores at least. And March '26 we will cross Rs. 300 crores. And these are all planned out. So, whatever numbers we are telling you, these are based on our growth, our inorganic and organic growth trajectory, which is there. So, these are the kind of numbers that we are looking at. And therefore, the future seems pretty bright to us. We will continue acquiring clients, we will continue acquiring companies, and we will continue acquiring people.

So, I think that's it from me. And I think we will be open to Q&A now.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. We will take our first question from the line of Laksh Jain, individual investor. Please go ahead.
- Laksh Jain:** Sir my question is, we have been doing lots of acquisitions, which is very great. I have just seen in the cash flow that we have raised approximately Rs. 270 crores of funding in our subsidiaries. So, sir, after these fund raise, I mean, subsidiaries --
- Raja Debnath:** No, sorry. Is the number right, Payal.
- Payal Maisheri:** I will explain. No, there are two things here. The Rs. 270 crores include two numbers. We have acquired two companies, so Rs. 170 crores is for that acquisition, and the balance Rs. 110 crores, Rs. 120 crores is for the raise of money that we have done subsequently. So, the Rs. 120 crores is the acquisitions.
- Laksh Jain:** So, Rs. 120 crores is the amount we have raised in subsidiary?
- Raja Debnath:** Correct.
- Payal Maisheri:** Yes, as on 30th September.
- Laksh Jain:** So, after doing all these things, something we are very specific, are we anywhere like planning to keep stakes at least at 51%, or we are ready to dilute below 51% also, sir? This my only question.
- Raja Debnath:** In which, the subsidiaries?
- Laksh Jain:** Yes, as you are very particular that we are going to keep at least 51% in all the subsidies, or we are like okay to dilute going for growth or anything.
- Raja Debnath:** No, we could dilute less than 50, we could go less than 51% also. Because the aim that we have -
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- Laksh Jain:** Okay, you are ready to go beyond 51%, okay.
- Raja Debnath:** Absolutely. Our aim is to grow the size of the pie.
- Laksh Jain:** Okay, that was my only question, sir. My concern was whether we are going to go below 50%, if we are comfortable at that level as well then that's fine, that's great sir. That's my only question. And other thing is, I just wish all the very best to the Veefin Group.
- Raja Debnath:** Yes, I would just want to add one point to that question where we might go below 51% in terms of equity, in terms of management control we will always stay 51% or above, because we will be responsible to run those companies.
- Moderator:** Thank you. We will take one text question. We have a question from Pradeep Alamsethi, an individual investor. Great to have calls like these as there are a lot of happening in many products,

etc. My request is, can we get quarterly results and earnings calls which will give better understanding, few SMEs do.

Raja Debnath: Let me answer that. We are getting prepared for it, very honestly. As an organization, we have grown at a very fast pace. To be able to come out with quarterly results and having earnings call very frequently, you will start seeing that from next financial year.

Moderator: Thank you. We will take a live question from the line of Akshay from CD Integrated Services. Please go ahead.

Akshay: Sir, you have said that we will close our year, what figure you have given, Rs. 120 crores?

Raja Debnath: Yes.

Akshay: So, in the first half we have done about Rs. 19 crores, so can you say that we will do close to Rs. 100 crores in the second half of the year?

Raja Debnath: Yes, because this is at a group level. So, many of the consolidations that we have, the company that we have acquired also, you are not seeing those numbers here in the first half.

Akshay: So, that will be reflected in the second-half of the year?

Raja Debnath: Correct.

Akshay: And sir, I just want to understand one technical thing, large banks like ICICI Bank and HDFC Bank, all these banks have their own supply chain and working capital finance solution platforms like ICICI have Unique, Marvel, Infinity. So, small banks and NBFCs do use this platform, VeeFin's SCF platform and all these things. So, is my understanding right that big banks do have their own platforms and small banks do purchase from us?

Raja Debnath: So, the situation is like, 99% of the banks in the world use some tech vendors' platform. So, ICICI and other names that you took, they also use platforms from some technology vendor or other which they have acquired 10 years back. All these will come for replacement, everything will come up for replacement. When it comes up for replacement, there will be people like us who will go and replace them.

Akshay: So, any banks platform which they use, they have one platform, meaning they will be using our technology in short?

Raja Debnath: See, they have to take it from someone or the other. If you look at India today, in India 90% of the banks who are into supply chain, they are using our platform.

Akshay: And sir, last question here, do we have any plans to get listed on the main board?

Raja Debnath: Yes, obviously, all of us have that plan, and as soon as the gates open, we will be waiting.

- Moderator:** Thank you. We will take one text question from Ashish Kacholia from Everest Finance. Congratulations for a great set of numbers. Could you please share your vision for where we anticipate our enterprise value to be in the next three years?
- Raja Debnath:** Gautam, would you want to take this question, this is your favorite question.
- Gautam Udani:** No, I don't think we are supposed to be answering this question.
- Raja Debnath:** But anyway, I think, to Ashish what I would say is, the growth that we are charting out and the growth that we have had in the past, and therefore the multiples that we are seeing, I think we will continue seeing such kind of multiples. Because the growth trajectory, and we gave you a sense of the numbers that we are looking at ending this year and ending next year. So, I think right now if you look at it from that point of view in terms of even the enterprise value, if you look at what Veefin has, what the subsidiaries are doing, the amount of funding that we have raised in the subsidiaries, the valuation, so even right now we are far undervalued from an enterprise number itself.
- Moderator:** We have a question from Paras Chheda from Purple One Vertex Ventures LLP. Why have other expenses shot up dramatically compared to the previous quarter and previous year comparable, both?
- Payal Maisheri:** I will explain. So, our other expenses include two companies, majorly sales and marketing expenses. Like we had also mentioned in our previous earnings call, to address our vision and mission of going globally, we do sponsor a lot of events, and we do a lot of other marketing and sales expenses. So, the major portion in the other expenses that are short of is, firstly, the sales and marketing expenses; and apart from this, yes, the legal and professional services growing as a company and acquiring different companies, plus the consolidation effect that we get on the expense side also from these companies are the two reasons why there is a rise in this expense.
- Moderator:** We have one more text question from him, what is your PAT projection for FY '25 and FY '26?
- Payal Maisheri:** So, currently this year we closed, we had a PAT percentage of 18%. With the acquisitions that we are doing, and we will expect a slight impact on our PAT margins wherein we might spend a little more on innovations, on marketings, on brand building. Apart from that, our fixed cost still remains the same, so we definitely expect a good jump or rise in our PAT on March '24 and going forward. I hope that answers the question.
- Moderator:** Thank you. We will take one audio question from the line of Shyam, an individual investor. Please go ahead.
- Shyam:** Thank you for the growth we have achieved. I just wanted to understand, like I do understand, you just mentioned that the top line will be Rs. 125 crores. So, how much will it be coming from the standalone and what will the breakup be for the consolidated? And how do we plan to achieve if you can just give us a high level break up from the acquisition that you have done till date?

Payal Maisheri: So, out of the total of Rs. 120 crores that Raja has said, we expect the standalone to come to around Rs. 45 crores, Rs. 50 crores which we were expecting at the start of the year also, as mentioned in the previous earnings call. And we stick to that, and we are on track with the same. So, apart from that balance, we do expect from the acquisitions that we have placed.

Shyam: And just one more question, like how are we different from the AllBusiness of the world like who are also in the supply chain financing?

Raja Debnath: I will take that question. All business is not a technology player, AllBusiness is more of a fintech. They are a platform on which they are facilitating currency. If you remember what I explained on PSB Xchange, AllBusiness is a platform which will come and connect to PSB Xchange. So, we are the financial infrastructure, the solutions which are within the banks on which they run the supply chain or working capital, that is run on platforms like ours, not on AllBusiness. AllBusiness is just the front-end.

Shyam: Okay, more or less similar to what NBFC does for the UPI, how the technology for the UPI, they work with banks, okay. Thank you for the answers. Thank you.

Moderator: Thank you. We will take a text question from Suruchi Parmar from NX Wealth Management. Which will be our major growth driver product, SCF, loan origination, or any other new product? SCF, many players are doing it with banks, what VeeFin is doing which is differentiating and has right to win? Missed your FY '26 revenue and PAT target.

Raja Debnath: First, let me clear that in SCF what are we doing different. Well, many players who are doing SCF, they are all fintechs. That means they are going out in the market, talking with corporates or platforms, and trying to get credit lines made available to them from various banks. That's what they are doing. But after they take it to the bank, the bank needs a system to run that supply chain finance business, that is where VeeFin comes in. So, we do not run around in the market, trying to get that business, to answer your question.

Second, where are our growth numbers going to come from, whether SCF or LOS? All over. As I just started from the first, we are no longer of single product company. Yes, we were supply financing, then we were working capital, now we are moving beyond. We are saying that wherever bank requires products and services, we will be able to do that because of the horizontal breath that we have. I think all of us who are here and who have been following VeeFin will understand that this is the start of something brand new. We are not comparing ourselves to any fintech or any tech company, an old tech company. We are in a different league of our own where we are bringing in products and services to be consumed by banks through one single channel, VeeFin is the channel. So, VeeFin is creating itself as a platform which will provide various products and services, with working capital being at the front for these banks and services. That's not only our growth driver, but it's also a big differentiator for us.

You missed the FY '26 numbers. The FY '26 we said our top line should be around 300, we will cross Rs. 300 cores in terms of top line. And Payal, if you may want, is there anything else you want to share in terms of, I think he missed the PAT estimate if I remember right?

Payal Maisheri: Yes, Raja. So, our current PAT percentage is 18%, so what I estimated was we expect to grow at the same percentage with the acquisitions and with the gross margin ratios. So, yes, we can expect the same.

Moderator: Thank you. We will move on to an audio question from Srinivasu K from TIA. Please go ahead.

Srinivasu K: Hi, Raja. Congratulations for the numbers. Recently you have done three acquisitions, right, TaxGene, Nityo Infotech and EpikInDiFi. Can you explain the rationale behind this, because some of the products are common between them and Veefin.

Raja Debnath: Correct, absolutely right. So, let me go to the first one where it is common. So, EpikInDiFi, yes, they have a common product which was on the LOS side and on the collection side. But when we saw the product we thought that if our product is a 9 out of 10, their product is a 9.5 out of 10 and we like their product. So, that's the reason we took them on. But I think even bigger reason than that was that the co-founders who came along with the product, the three co-founders, between then they had run a team of more than 2,500 people at Infosys. That's the kind of experience that they get in with 20 plus years of experience for each one of them. So, the pace at which we are growing, having that level of people come into the Veefin family adds value not just to EpikInDiFi as a part of Veefin, but across the entire Veefin Group. So, this was the rational plus. Plus, they are coming with a whole new set of clients who we can cross sell our products to. So, that's the rationale behind it.

The rationale behind bringing on TaxGenie, I had explained some time back is, what TaxGenie does? The fact that we are now able to get visibility of the entire supply chain, right from purchase order to the advanced shipping notice to the GRN, then to invoice approval, this level of visibility of an invoice is unheard of in the industry. So, if I have that visibility and then we are able to bring in financing at various legs, that's what makes supply chain for the SMEs that much more interesting. So, that was the rationale behind Ezee.

The rationale behind Nityo is that they are digital transformation and custom design of software house. And we have a lot of requirements from our clients, our banking clients for these kind of services. So, this made complete sense for us to bring these three companies into our fold.

Srinivasu K: And my next question is about the PSB X, why is this alliance getting delayed, any reason?

Raja Debnath: You know how public sector banks work, so it's not in a bad way. It's just that when you have 12 large public sector and having to navigate the agreements between all of them, getting all of them on the same page, those things are things which take time. But having said that, the good news is that we have been able to close out or get all of them to agree on a single agreement that they will all sign. But this is very, very welcome news for all of us. We have also been able to get all of them to agree on the pricing matrix that they will pay PSB alliance, that's again a second win. So,

we should now see a go-live of the platform very soon. So, the largest hurdles have been crossed. Technically, the platform is ready. We are just waiting for these administrative items to get over to be able to make it live.

Srinivasu K: And my final question is, in general, how do you see this opportunity of supply chain finance in the next five years?

Raja Debnath: Sorry, I lost that, an opportunity?

Srinivasu K: Yes, market size basically and what we can take from that.

Raja Debnath: So, I will tell you, currently in India annually we have close to Rs. 8 lakh crores to Rs. 9 lakh crores worth of disbursement which happens. Rs. 8 lakh crores to Rs. 9 lakh crores of disbursement of supply chain finance business happens currently. Our estimate of the market as we stand is Rs. 80 lakh crores, so we are 110th the market right now as we speak. So, now you can understand what the opportunity is. More and more players like us, and we want more players to come into the market, we are happy with the competition, more and more players come, more innovation happens in the market and expands the market.

Moderator: Give me a moment while I read the next question. There's a question from Rupesh K from Calpol Capital. Hi, can you help me understand some of the changes in your balance sheet, huge increase in cash and current liabilities. What is the reason for increase in trade receivables from Rs. 9.7 crores to Rs. 28.4 crores? Your balance sheet itself has increased substantially from March '24, depressing your return ratios. Please comment on this.

Payal Maisheri: I will explain. So, first question, increase in current liabilities. So, the increase in current liabilities is because, again, due to the acquisition that we have done. We had acquired a company, there was a payable to that company. So, the acquisition happened on 27th September, '24, and the payment happened in October first week. So, because of which there is a higher number of payables shown in the current libraries, first. Second, the increase in cash and bank balance is because we closed our funding round, and because of which there was an increase in the cash and the bank equivalent balances.

The third question, the trade receivables. So, there was a rise in the trade receivables, I will just explain. In case of VeeFin, in the SaaS based revenue model, however, debtors turnover cycle is 30 to 45. We did have a few high value invoices from the license fees, from the AMC, from the customizations which got realized at the end of the half year. Apart from this, because we acquired the two companies and there was a consolidation effect on our receivables where there were previous outstanding receivables which got consolidated. So, these are the three major reasons for the increase in the trade receivables. Also, I would like to point out that out of the entire trade receives of Rs. 28.54 crores, 50% of the traders receivables outstanding for less than 60 days, and more than 80% is outstanding for less than 180 days. So, it's just rolling, it's a credit period.

One more point with respect to the increase in the balance sheet figure. So, yes, so that was again because of the two acquisitions. So, we acquired Nityo which is a Rs. 150 crores company, and

we acquired TaxGenie. And EpikInDiFi is not yet consolidated. But because of these there was a significant increase in the net worth of the company, plus the funding rounds that we raised for the subsidiaries. So, these are the two major factors for the increase in the balance sheet also.

Moderator: Thank you. We will take audio question from the line of Prateek Choudhary from Samarthya Capital. Please go ahead. Mr. Chaudhary?

Prateek Choudhary: Sir, first question. Since we have been having a very good deal inflow over the last 6 to 12 months, and a lot of that must be being recognized as the start of revenue booking as well, plus whatever we executed last year in FY '24 H2, some more or large part of the recurring revenues would ideally have flowed in H1 this year itself. So, if I look at the standalone revenues, there is a decline from H2 FY '24. I mean, the other, if you could tell the reasons for that decline.

And second, why do we have such a long payment cycle? Because we have almost six months of receivables, so anything booked in the starting of April also we are probably yet to receive the payments. And we are dealing with the high-profile clients in the BFSI space, why do we have such a high cycle, if you can answer.

Raja Debnath: I think Payal will answer all the questions, but I will just correct you on the last piece. The more high profile the client in India, the longer they take to pay. So, there is nothing about BFSI are being high profile and be paying one time. So, that's a separate piece. But Payal will take the other questions.

Payal Maisheri: Yes. So, the H2 March, we had pointed out this in March also, because there was a high receivable in H2 FY '24 also, and that was mainly because there was one license deal wherein they had gone live, and which was a part of that revenue. Whereas the current revenue, the percentage of one time versus recurring in H2 March '24 was, let's say, 60:40 or 50:50, and therein currently in my H1 FY '25, the recurring percentage is 75%. So, this is the difference basically. And because of this, so again to your question of why such high receivables, yes, definitely the receivables are high, but the collections is also very high.

So, we had an opening high receivable, because we had gone live with a very major client of ours in Saudi Arabia. And that amount of that invoicing was huge, and that had happened like in January. And like how Raja just explained, the more high profile these clients are, it does have its own repercussions and implications. So, yes, these license deals, because of the amount there are certain delays. However, let me point out, our credit cycle for the SaaS based revenue is 30 to 45 days, because we charge monthly, and the clients pay us monthly. I hope that answers your question.

Prateek Choudhary: And you said that 75% of the H1 FY '25 revenue were SaaS based?

Payal Maisheri: Correct.

- Prateek Choudhary:** And just final one last question, the FY '26 number that you have told, roughly Rs. 300 crores top line at the group level, would the standalone number be closer to Rs. 110 crores which you had guided earlier, or it would be significantly more than that?
- Payal Maisheri:** FY '26, right?
- Prateek Choudhary:** Yes, FY '26, yes.
- Payal Maisheri:** FY '26 will be around the similar numbers. It will not be higher than that, it will be similar numbers.
- Prateek Choudhary:** For standalone?
- Raja Debnath:** Yes, on a standalone basis.
- Moderator:** Thank you. We will take one text question from Praveen Pola, an individual investor. How will ULI positively impact us?
- Raja Debnath:** So, ULI, it will expand the market. And as I was saying a little while back that the more competition the better. ULI is a platform which allows various APIs to be available out there. And ULI will specifically be more favorable towards smaller lending institutions who do not have the wherewithal of going out and doing vendor evaluations, innovation. So, they can come to one single place and consume all the APIs. That's what ULI is all about. So, does it compete with us directly? No. But because of ULI do we get value? Yes, we get value out of ULI because more people will do lending, and the more lending happens companies like us benefit, because we are the ones that the banks and the NBFCs will actually use to consume data from ULI and then use our LOS and our LMS and our supply chain for doing the business.
- Raja Debnath:** Thanks everyone for joining in.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as last question for today. On behalf of VeeFin Solutions Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.