Veefin Solutions Ltd.
(Formerly known as Veefin Solutions Pvt. Ltd.)

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Date: May 01, 2024

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

Ref: Scrip Code: 543931
ISIN: INE0Q0M01015

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 and year ended March 31, 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 and year ended March 31, 2024, conducted after the meeting of Board of Directors held on April 29, 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 Harsh Thakkar

Digitally signed by Urja Harsh Thakkar
Date: 2024.05.01 18:15:53 +05'30'

Urja Thakkar
Company Secretary & Compliance Officer
ACS 42925

VEEFIN SOLUTIONS LIMITED
HALF YEAR AND YEAR ENDED 31.03.2024 EARNINGS CONFERENCE CALL
29TH APRIL, 2024 – 04:00 PM IST

Urja Thakkar:
Good evening everyone and welcome to the Veefin Earnings conference call. I, Urja Thakkar, the compliance officer of Veefin Solutions Limited. Thank you for joining us today to discuss Veefin's financial results for the financial year ended March 31, 2024. I would like to inform you that participant lines will be in the listen mode only and there will be an opportunity for you to ask questions after the presentation concludes. Should you have any questions, please select the raise hand option in the reaction tab of Zoom application. We will call out your name and unmute your line to enable you to ask a question. While asking a question, please limit your questions to two and begin your name. Begin with your name and name of your organization. Please note that this conference call is being recorded. The recording and the transcript of this call will be available on the website of the stock exchange and the website of the company in a day. Our management team is present on this call to discuss the results. We have with us today Mr Raja Debnath, Managing Director, Mr Gautam Udani, Whole time Director and Ms Payal Maisheri, the Chief Financial Officer of Veefin. I now hand over the conference call to Raja. Thank you and over to you Raja.

Raja Debnath:
Thanks everyone. Thanks Urja. Let me just share my screen. Good evening everyone and I think without further ado, we are on time. Let me start by first letting you all know that we are extremely happy. This has been a very good year for us and happy to see the turnout here for hearing about how this year has been for Veefin. Now what we will do is we'll spend some time in just letting you know about the Company, some of the products that we have launched. We'll then give you an update of our last year's financial performance and where we are heading going forward and then we can obviously have Q and A. Now, Veefin as product has been in existence for five years now. Five plus years. And right now we are very clearly the number one supply chain finance platform in India.

So in India we are the number one supply chain finance platform which is used by lenders. The lenders use us to run their supply chain finance business. As of last numbers, $25 billion is the number that we are seeing annual disbursements on our platform across all our banking clients. And we have signed up 50 plus banks and NBFCs. And this number 50 plus is not just India, it is India as well as outside India. We'll talk more on what we are doing outside India and something that we are very proud of. In IT industry, there is a lot of attrition which is always there. In last 24 months, we have not lost anybody on the team that we would not have wanted to lose.

So our attrition is close to 0% over the last 24 months and for the last two consecutive years we have been certified as a great place to work. And this is one of our core reasons why Veefin has done extremely well over the last couple of years in the Indian market and in the global market. And everyone is always asking What is Veefin doing that our clients are loving us so much? Onboarding. Onboarding is the process of integrating new clients into a business and establishing a strong and productive working relationship. We have tried from day one that Veefin is a product Company and stays like that and the second important point is that we have tried from day one to not become a custom software development company. Many of our competitors are, they do a lot of work on the custom side. We try to keep our customization to a bare minimum.
That is the reason our time that we take to actually implement is much shorter than all our competitors. Third thing, pay as you use. We were again the first ones globally who came up with a pay as you use pricing model for our lenders books. We would charge a few basis points on that

disbursement and that is why lenders of all shapes and sizes started flocking to Veefin. And this is one platform, be it vendor side or dealer side, between both two sides, there are multiple products which are there. All products are available one single platform. These are the core reasons why lenders like Veefin and at the product level, so this is one product. Till date, we have been focusing on financial institutions. So most of our clients have been either financial institutions or fintechs. Now, going forward, what you will also see is we will start interacting and working directly with large corporates. We have already started signing on large corporates and we will see a lot more growth coming from our large corporate business going forward. The large corporates, suppliers, dealers. So for every party in the supply chain ecosystem, there is somebody or the other who is using our solution. And as we have seen, there are a lot of awards that we have won over the last year. So these are just the awards which have been won in the last financial year. Whether IBS intelligence whether leadership club in wholesale banking Best Customer and program Impact awards OR Forbes best 200 companies India may with a global business potential business world Fintech awards. There have been numerous awards that Veefin has been winning and but we have been winning awards last year and this is, I think this is a faith which the market is showing in the kind of work that we are delivering to our clients. One of the most important things is supply. Supply Chain Finance has been a niche product last year and globally there has never been any, how do we call any vendor comparison which has happened on supply chain finance platforms. December 23 is the first time globally there was a survey which was carried out by global consulting firm IBS Intelligence. It's a UK based organization. They invited all Supply Chain Finance Companies to present their solution to them and they created a report. And Veefin was one of the only two players, which they declared as Industry leader And this was based on strength offering and market presence. Strength offering and market presence based on that.
Now this is a point of great pride to us because this is the kind of survey which allows us to expand our presence at the global level. Also India we are very clearly number one. So India may, if there's any lender, this is supply chain finance. But at a global level, this kind of report makes a lot of impact for us. Going to Veefin, as I said, end to end platform, what are the pieces now? Loan origination system. This is what is used by Veefin for underwriting.
Now till date we had only been selling flag reference as a solution whereas loan orientation system was a product which we had as a module within the entire platform. But going forward now, we are now starting to sell the loan origination system separately also to our clients. That's we'll start seeing. And we have already started seeing results of this where just loan origination system where we'll compete with other players in the market. This is something which we have started. SCF loan management system. This is our flagship product that people all know us about is may all of these modules that I will show you. They are all a part of the SCF system. But now we are starting to sell each of these solutions on a separate, individual basis also.
So for example, a loan origination system not only for supply chain finance, corporate finance, We are now getting customers who are now asking us for this product, which is the loan origination system separately for their other businesses also. SCF car loan management system we have always had. The new product that we are coming out with is the loan management system for all other products. So, the products, whether it's a term loan, whether it's a structured finance loan for all of that there also we are now coming up with a separate loan management system. And we assigned clients for that too. So as I was saying, loan management system for all other non supply chain finance products. We now have a product for that too. And we started signing on clients for this also. This is another avenue of growth for us. Collectflow is our collection system. This is again a new product module that we have launched. It is a part of the entire product suite. However, this is now going to be sold separately. Also, we have a separate team in place for each of these modules who are tasked to go out and get new clients for all of these. And if you understand, we sell to bankers. Once we have sold something to banks, for example, supply chain, our relationships have been built. Therefore, it makes sense for us to use the same relationships and now sell various other products to the same people. So what we are able to do is use the same channel that if you have opened up

with a bank to sell different products for cost of acquisition, cost use, we are able to add new products which will give us additional revenues. This is on the collect flow collection and debt recovery solution. Deep tier finance. This is again an extremely important product. We will see results on these in this year itself.

This will allow us to double the size of the supply chain book for any corporate, any bank without signing any new corporates. And as we all understand, any new corporates is the single most difficult thing that a lender has to do. But once they have done that hard work of finding a corporate. They can use the same corporate and go deeper in their supply chain to add volumes. Moving on to the growth that we have shown. So let's spend some time out here. This is something which I'm sure everybody would be interested in. So as we see, our revenues have grown 73% year on year we are ending. We ended March 24 at 25 crore. That's the revenue that we ended at. These are all in lakhs or 2500 lakhs. That's what we ended.

Our EBITDA has shown a big robust jump of 91% over the previous year. And our PAT has gone up by 73%. These are the numbers. If you see the deals that we have won in the last financial year, there were 17 deals that we have won and we have gone live with nine clients. Our net DSO is at 144.

As of March 24. And our collections, if you see our collections have outstripped our revenue. So we collected more from our customers than the revenue for last year. So collections have also shown a very strong performance in the last year. And if you look at our EBITDA percentage has also gone up every time, has gone up to 43. And you will see this kind of trend in the future. Also, because our cost base, which is there a cost base is very nearly fixed. The kind of cost base that we have is very nearly fixed. So as our goal lives keep increasing, our revenue keeps going up without a direct impact on the cost. It's not a very direct correlation. So this is an important point to remember from a market perspective. This market, which is there, this is a very large market.

So were playing in the supply chain finance market. And in 2021 the figures that we had seen, there was a 50,000 crore annual market which is predicted to double and go to 111 thousand crores by 2031. By that same logic, the new market that we are now entering, which I spoke on the digital lending side, is all around the LOS, the LMS, the collection, those are those pieces. That's again a larger market. So it's a market which will by 2026 expect it to hit 170,000 crores. So that's the new market that were entering into. Based on that itself, we have started a couple of new subsidiaries. Also there are two subsidiaries that we have started subsidiary around the API gateway. So because digital lending is such a large market, and because we have LOS and this LOS we have deployed where ever we have supply chain finance clients. This LOS today uses API gateways or ATS from other players. By starting a new subsidiary which will now do the API gateway business, we will be able to launch our API gateway in all our clients that we have, where we have already signed up with them. So it's a ready business for us. That's something. We have started one more company, which is where we have started building out our trade, finance and our cash management solution product. Again, banks already come, already signed.

So when we have already sold one product to them, it makes sense for us to come up in future with these two new products. So in this year, we will have these two new products also, which we will be able to sell to the same bankers. That's something which will again add to our revenues going forward. This is a number which will tell you what we have been doing. So if you see March 22, the previous year versus last year versus what's happening right now, our marketing spends the number of events that we have been working at, those number of events have been doubled. So last year went to twice the number of events which went the previous year. Our number of country directors that we have at a global level, that number has doubled.
Now we have country directors in 27 different countries. Those give us opportunities of new

pursuits. So pursuits, that means it's banks, lenders at a global level, telling them some of the other solution. Of the 193 banks globally, we have been having conversations and 193, 129 were conversation which we started in the last year itself. That means when we started 2023, we had 64 banks with whom we were talking at that point in time, 64. And in April 24, that 64 moved to 135. So we doubled the number of banks already conversations. That's a big number. So you will see value of these numbers in this year because this is an enterprise sale, business enterprise sales takes can take months. And this is the conversation that we have been having for the last year. So we won 17 new deals in the last year. We lost four deals for our loss ratio. If you look at our one deals to our loss deal is for four one ratio. So that shows that once we start having conversations with our clients, we usually don't give up. This is something that gives us immense confidence for our coming year.

In terms of stock performance, I'm sure you all have been keeping track of it. But to have to see a snapshot over a period of time, our stock performance and our average daily volumes. Our average daily volumes have been close to 78,000 over the last. From the data here, we have had robust average daily volumes. Our stock price as on 31 March, 2024 was 307. These are numbers that you know of. And our highs were at 409.

With the last slide that I had which is our consolidated Profit and Loss The consolidated Profit and Loss across our businesses which are there. So half yearly ended and our annual numbers. So 25 crores. As we had seen, 25 crores is the top line. And our PAT we ended at 7.4 cr compared to 4.2. These are the numbers earning per share from a 2.33 has moved to a 3.6. This is where we are and I think I have shared what I needed to share it of the presentation. But I would be happy to now take questions and I can stop sharing my screen here so that I can see the people if somebody wants to raise their hands.

Mulesh Savla:
First of all, let me congratulate Mr Raja for being the only and the first company having integrated supply chain finance platform. And you have mentioned something about the annual numbers. But when I look at half years number, they are much better than the annual numbers. So my first question to you would be the sustainability of our second half numbers. So I think probably were around 60% as EBITDA margin and 40% at petroleum Pat margin. So how do you look at future EBITDA margin and the Pat margin for at least coming two to three years? That is my first question.

Raja Debnath:
So what you said is right, what is happening is we have had a lot of clients which have gone live in the last six months because of that. So whenever our clients go live, that's what adds revenues to our numbers. And that is the reason why you are seeing a higher over the next one year. So you saw the number of deals that we are talking about. You saw the number of active pursuits that we have for the next three years. Seems like a very strong number. We should be able to maintain whatever the annual EBITDA margin that we have, 43%. We should aim at being around between 43 to 45, 46%. Those are the kind of numbers that we'll aim to end that.

Mulesh Savla:
Very good. So apart from that, I mean, I would like to have, you know, your aspirational targets about the top and bottom line if you can, you know, share with us. But there is one more question about intangible assets appearing in our balance sheet, which has gone up to 92 crore. So how are we, you know, writing off some portion of that over a period of time? So you can throw some light on the amount of intangible assets.

Raja Debnath:

One of the core things is the Indian market has not seen too many SAAS based companies. So SAAS based companies. What we do is we try as much as possible. We don't charge them anything upfront. We will take a percentage of that as revenue. And the logic that corporates, suppose a lender comes and signs up with us, the corporate, they will want to integrate their ERP with our system. So if we get into business with any lender and the lender makes the effort of tying up the corporate ERP with us, what that means is it becomes very difficult for the lender to move away from us in future.

So that means it's assumed that once we work with any lender, we'll be working with them for many years. So our assumption is five to seven years, lenders will be working with us anyway. Whatever we are building right now, we are building from a product point of view. So what we do is all the intangible assets that you're seeing, that is the product development expenses which are there specific your customization is specific to the client that is not amortized. But the specific expenses which are there which are product building expenses that we amortize. And we use a matching concept. So it's a transparent accounting policy in which the matching concept in which we say that our assumption is that a product life cycle is a ten year life cycle because it's a ten year life cycle. Whatever revenues that we will earn at the same proportion we will also do an amortization. So we will continue booking our software development expenses under intangible assets and we will continue amortizing. It is the same ratio as our revenues over the next ten years. So as and when the revenue grows the amortization will also grow. In the same proportion.

Mulesh Savla:
Great, great. And just a word on your aspirational target where you would like to see your company three years down the line along with some new pipelines of good corporate customers and the financial institution.

Raja Debnath:
What we have done is part supply chain. Now the next thing that we are doing is on the trade finance side. So we have already started building trade finance subsidiary separate team so that there is a very clear focus on that product segment. That is one thing that we have done then the other thing that to answer your question in terms of aspiration, whatever we are seeing right now on supply chain and the numbers and the growth rates that you are seeing you will continue with very similar annual growth rates over the next three to five years. So I don't see us slowing down that kind of a growth rate because of the very strong pipeline that we have. So our current pipeline is good enough for us for the next two years. There will be large deals which will keep coming up and which will keep getting added. There are work which we are doing in terms of the PSB alliance project that we have seen that's separate subsidiary which is there in which all the work which we do in the public sector bank alliance project will come there and what 50% of the bank Indian banking balance sheet that is going to come out there for helping corporate go out and do business themselves. So I think the future is very rosy from the point of view of the market that we are going to be attacking and how well we are capacitance.

Mulesh Savla:
So past performance I mean much more than what you are proposing growth recently, I think you signed all the public sector banks for the platform and there are some other wins also. So looking at all of them, I think exponential growth.

Raja Debnath:
Absolutely. But as we say that the idea is of under promising and over delivering. That's the idea.

Mulesh Savla:

Thank you so much and wish you all the very best.

Deepak Poddar:
First of all, many congratulations for the great set of numbers and thank you very much for holding this call. So as an investor, we can get.
More insight on the company directly from you. Now first up, just a clarification. I mean, you mentioned current growth rate. For next four, five years. So this year growth rate was 77%. So ideally that's the growth rate we might be looking at for next four or five years. And, and we look to, I mean, outperform that, right? I mean that's what you mentioned, correct.

So, so that is the clarification. Now in terms of your capitalization amount, I mean, what is your capitalization amount as of Fy 24? And how do we see that going forward? And also what sort of R and D expense we expect FY 25, 26 and accordingly, how will your capitalized amount?

Raja Debnath:
So Payal can answer that. But whatever the numbers that we see for the last year, the capitalization amount, the calculation amount for the next year will be that plus maybe a 1015 percent increase. What was the current last year file?

Payal Maisheri:
52.8 crores is the total capitalization that we've done during the year. And, and like Raja said, you can. Expect 15%, 20% growth on it for the next year.

Deepak Poddar:
So as on FY 24, we have got in the balance sheet about 52.8 crores of capitalized amount, right? And in FY 25, this figure can go up by about ten to 15%.

Payal Maisheri:
That's right.

Deepak Poddar:
And this is net of amortization.

Payal Maisheri:
No, this is gross. We've done a separate amortization and amortization module that we follow because we are a SaaS based company. It's a weighted average of the revenues, projected revenues for ten years. So ideally this amount would get amortized over the next ten years depending upon this.

DeepakPoddar:
So what is expected depreciation we expect for FY 25 as compared to. I mean it was very small in FY 24, right.

Raja Debnath:
Ideally a much bigger amount we expect. Because it's based on projected revenues being a SAAS based model, our revenues are going to have a cumulative effect. So if you see even the current growth rate and the future growth rate, there is going to be a upward project. So then the projected revenues for the future are a little higher. So the amortization will accordingly vary.

Deepak Poddar:

And my second question is on your seasonality. I mean, is there any kind of seasonality that we see in our business? First half was the second half.

Raja Debnath:
Not. We go live with our customers, but we don't have a seasonality as such. But one thing is for a fact that the first quarter is usually a slow because our banks usually work slow in the first quarter.

Deepak Poddar:
First quarter usually. And this new product that you are. Talking about, digital lending, that has already been starting revenue, I mean we have started bringing revenue from this.

Raja Debnath:
Yes, we. There are some revenues which you already started booking.

Srinivasu K:
Hello. Congratulations Raja and team for delivering wonderful. Set of quarterly numbers. I have a question regarding this PSB Alliance that you are talking about it. So what is the current status of it? Is it live and running? And also what is the opportunity size of this PSB alliance?

Raja Debnath:
So PSB alliance is a project in which we are connecting all the public sector banks, old private sector banks and NBFCs with Fintechs, IRP, logistics, marketplace and corporate directory. That's what the program is all about. The technology for that is nearly ready when I say nearly, I would say it's 95% ready. We are right now at some nuts and bolts space. We think we should be going live on this by sometime in the month of July. So it's not live right now. The agreements, this is the first time globally something like that is being done. So the agreement that we are using, we have used one of the top legal firms who have now given us some agreement draft which has gone to the PSB and the Indian Bankers association for vetting. Once it's vetted, the banks will sign that and then we can start. In terms of opportunity side, let me put it this way. Today, if you take the entire supply chain, first market across the entire industry, everybody put together how much is happening. It's close to two lakh crores. That's the portfolio size. If as on date, you were to ask us what is the opportunity size? It is more like two lakh. It's more ten times that. That means 20 lakh crores. That should be the number. Banks are all banks, all the large banks, they have put targets for themselves of tripling the numbers in the next three, four years. That is the size that you want to go for. How much we are able to get out of it.

Srinivasu K:
It's all a question of how well the PSB banks are able to execute in terms of take the business out there. There's a lot of business which is they're coming on the platform, how will they able to underwrite the business and take the business as a question. So there is already one Platform called trades, right? So this is also doing the similar thing like what PSB alliance is doing, right?

Raja Debnath:
Not really. The trades platform is only meant for supplier finance, where the limits are booked on the large corporate and there's an auction which happens for each invoice, because of which banks, when they go on the trades platform, they usually make around 150 basis points lower than what they could have got if they had done the business themselves. So banks usually don't like that. It's a treasury play. The trades platform is a treasury play. So somebody sits on the bank side and just keeps, instead of putting the money in t bills or in liquid funds, they go and put money out there on trades. They don't have to do any collection, they don't have to do any onboarding. That is the

reason the rates that they get out there are lower.

The PSB alliance platform is not that on the PSB alliance platform, it is exactly the way the banks do business. But there we are helping the public sector banks and the private sector banks in getting business. So it is yet going one step beyond. Till date we have only given technology in the PSB alliance business. We are not only giving them technology but we are also helping bring business on the platform and we have a lot of business which is already lined up. A lot of businesses lined up waiting for getting onto the platform which is different than trends. All kinds of supply chain finance products will be available out there. And the deal that we have with publishing, the bank alliance, it is not just for supply chain finance, it is for trade finance and MSME Finance also through an ecosystem route.

Parth Paripar:
Hi, yeah, so my name is Parth and thank you for having this call Raja. So I have a very basic question. I want to understand more on your business. So just say traditional banking, the RM of a bank would chase a CFO of a company documents the banks used to do their own due diligence and then we used to give out a supply chain. So I want to understand where does Veefin come in this entire setup

Raja Debnath:
So supply chain finance is a product is different from all other lending products. Because supply chain finance, there are two parties that you always look at. There's a corporate and either supplier. So during every drawdown transaction system. So your traditional loan management system is not able to handle. That is the first place where we are coming in. That is the reason our niche that we had started with was supply chain finance, loan management system. That's first point. Second, over the last five years they have been because of India stack and because of digital data points, customers are now getting customers, now getting more demanding. Customers are no longer happy with that. They want all of these things to happen more instantaneously.

That is the reason why when customers, when our lenders are using Veefin, they're able to cut down the time that it takes for underwriting and accounting entries. Accounting entries are Veefin. Third big important thing is because of the transaction volumes, when they go up, it has to be able to accommodate that level of data and that level of number of users on the platform. So some of the new clients that we are signing, we are replacing other players in the market. Whereas banks have been doing supply chain finance using other systems. But now they have reached a place where they now require better technology. That's where we feel comes in.

Parth Parihar:
And in that, so do we do the underwriting or you have final discretion?

Raja Debnath:
Bank payments. It's bank pay discussion. Always bank pay. So that bank is able to use all of them in the right way.

Meet Mehta:
Hi, Raja. Congrats on the wonderful set of numbers. So, I wanted to ask you about your projections for FY 25, FY 26, your revenue projections. If you could tell me.

Payal Maisheri:
Our revenue projections for the next two years will be 50 and 110 for crores.

Meet Mehta:
And the EBITDA margin? Currently we are at 42%. We expect to stay at 42% .

Payal Maisheri:
45% for the next two years. But as Raja said, that with revenue growing and you're pretty much sorted on your cost, there shouldn't. Your EBITDA margins should only grow from here. What we are doing Meet, as we said, that there are multiple products that we are now pushing in the market. And these revenues numbers that will come up, it will include a lot of our investments that we are now doing in the global markets. That's the reason why we believe that right now it makes sense for us to invest in growth rather than running for a higher EBITDA margin.

Gaurav Gupta:
Rajaji, a quick question. What was our monthly run rate for.

RajaDebnath:
The March 24 for revenue? We don't have a monthly run rate right now. And the reason for that is that we are still chunky in nature, because our clients who are there, they are different sizes. Right now, as we speak, we have close to twelve to 15 clients who are on the verge of going live. And there are various shapes and sizes. So right now, and I think for the next at least 15 to 18 months, we won't reach a steady state where we start having a monthly run rate in that sense.

Gaurav Gupta:
Understood. And going forward, also, we expect h one to be light and h two be heavy going forward as well.

Raja Debnath:
This year, slightly. As I said, that the first quarter is usually a slow quarter for the banks. So you're not able to take too many customers live in the first quarter. It's from the second quarter onwards that the push for going live increases. And as our clients start going live, that's when we see our revenues ramping up.

Gaurav Gupta:
Got it. Thank you very much.

Prateek Chaudhary:
Sir, this the second half revenue is there. Is there any one time license fee that we have booked or is this all transactional percentage fees that we have earned? In the second half.

Raja Debnath:
There were some non recurring fees which have been booked. The entire revenue is not. The entire revenue is not a recurring revenue. There are some non recurring revenue also. And as the pace of onboarding of these new clients continues we would expect these non recurrent revenues also to keep on flowing in. So now decorative revenues will continue flowing in and the numbers will keep going up because the most important thing is that Bank platform whatever revenues they start from as their numbers keep going up, our revenues keep going up.

Paras Chheda:
Thank you. Obviously it's a good set of numbers. So thank you for this opportunity also just trying to understand, you know, what are the traits to our business. I mean, as I understand this is a product company, right? I mean software product. So we have this Infosys, TCs, all of these companies that

have been existing for years and they even banks spend quite a bit of money on their technology upgradation. Why have any of these not entered this kind of a space? Or is there a threat which continues or can come? Because what I understand is our product amortization will happen over ten years which is quite a long time in the tech industry. I mean, I understand it limited, but whatever understanding. So how do you see this? You know, why would you sustain, you know, between these large giants versus the banks?

That's the first question. And secondly, in terms of revenue projections? And you know, I just heard, you know, this revenue projection probably whatever. And so how do we project this kind of revenue for, let's say next one or two years? I can understand this year ongoing here but be the next year because it all depends on the transactional volumes that will happen. So is there some basis to project the revenue? And just a last if you can add to that also what is the, you know, like any if all going well? What kind of a, you know, revenue potential you can sort of expect in the next five years for example?

Raja Debnath:
Let me take the second question first. The numbers which had been shared was that for the current year we should end. Our aim is to end at around 50 and for the next year, 110. Those are the numbers and at the top line. So the question then around these revenues are how do we predict these revenues? So our revenue predictions are based on, we know which of our clients are going live, when they will go live. We know what clients are starting a new business, what clients will transition their business, which they're currently doing on some platform, onto our platform. So that's where we are coming from. Okay. In terms of our projections, because we, our clients share that data with us. So point number one. The second point is why is it that we think that we will sustain? We should not have been there in the first place. The reason is this has been a problem in the industry for a very long time. So when I was not in this business, when I was at the International Finance Corporation and I was advising banks, I was seeing this at a global level, that this was a need. Banks wanted this solution, despite that the platforms were not able to deliver. As I said, Veefin was the first company globally which had an entire end to end product. People knew it. That's what bankers want, but nobody had invested in that when we started. For the first two, three years, went through our own set of challenges, because this product has been a very challenging product.

The first three years, the number of issues that were faced were tremendous. And we know that anybody else who tries to build this product will also go through the same set of challenges, because that's how a software company is built. A software product can, initially, you will have challenges. The idea is how well you are able to navigate that period and move on to the phase where your customers will then start having trust in you. So that's the important point. Many of these large players, they have tried building these products since many years. Despite that, many of these providers, core bank is the heart. So core bank may data sources, software applications, so as a heart diski application. But despite that, it doesn't happen because the core banking providers went in, they also went and they built this product over a period of time.

Initially, they also faced problems. But now, if they want to start building a new product as a supply chain financing, the banks don't have the patience now to go through them. Because they say, when I have ready made experts that specific potentially available in the market, why should I go with somebody and go through their pain? Now, if therefore, you pick up a niche, become very good at it, and therefore the others are not able to compete with you, and they'll always be two, three years behind. So the investment that we continue doing in our product, it is not, we have our specialists who are always thinking in terms of how do we build the next phase of the product? How do we cope with new functionalities, new features? How do we make life easy for our clients?

That is the journey that we are on. Which is why we are two steps ahead of the market. And as I said, India specifically.

Prateek Chaudhary:
Sir, on the so on the international foray, you said that you have already placed a number of people as country heads in a number of countries. So do you see which specific geography is here? Do is us and Canada going to be your, you know, major drivers there? Because the banking software or tech side is very, I hear is very outdated or is in need of a lot of improvement.

Raja Debnath:
You are right on that. That yes, they require improvement. However, in the current phase where we have deployed a people, it's more across the entire Middle East, Africa and the Asian regions and some part of eastern Europe. That's where our focus is for this year. This year we start adding, as I said, enterprise business. It takes time to start clothing deals. We have till now not forayed into western Europe, US, Canada markets. But this is the year where we started to start investing in those markets. We'll start seeing results in those markets next year. But our Africa, Middle east and Asian regions where we started focusing from last year, we are starting to see results this year.

Sarthak:
Hi Raja. So sir, like my question is on. Like you're talking a lot on deal wins. But my question is on the how you're going to mine the customer in the future. Like no, if a customer comes now, he has onboarded on your platform. So how you're going to generate more and more revenues. Like how you're going to pitch your other to other products, to them. So in it space, the mining is the most important part rather than the deal wins.

Raja Debnath:
I completely agree. I completely agree with you. And that's the reason why we preempted this as fabric. Three subsidiaries. And if you notice, one is on trade finance, one is on the API gateway, one is on PSB Alliance. All of these are linked and we are selling back to the same customer. Digital lending start key collection start here. All of this again to the same customer. Like our customers, once they have tasted our work, they then come back and say apnea is. I have these other problems and I have seen that you have the products to solve that. Now why don't you give me those products also? And we are seeing this very aggressively. Our clients are now asking us to give us our other products also to the same set of customers. This is happening.

Sarthak:
Okay, so like so how these all the products are linked. Like you can explain like how they.

Raja Debnath:
Okay, so supply chain up starts with Onboarding journey. You are connecting to the API gateway. Then once a data it goes into the underwriting platform which is the Los platform. Again you require the API gateway data, your LOS platform business process engine, low code platform. You already have core product, other a term loan, LMS. We again have built that product out. Other customer key delinquency. Then go customer delinquency either through telecom collection software which is a collect flow. That is. So this is the entire supply chain piece, but each one can be sold separately also. That's what started selling. Now supply chain finance, transaction management, trade finance, cash management and supply chain finance, cash management, trade finance already product build.

Paras Chheda:
Thank you Rajesh. Just trying to understand now India, as you answered, you created some sort of

an expertise in supply chain financing, which is not only possibly nationally, globally we have expanded process. So assuming a lot of things go well and assuming that we are able to compete also very well against the other software product companies, etcetera, what kind because I also see, so in your presentation, I saw intellect design arena. So that is one of our industry leaders, probably peers, if I may say that. So they are doing some 2200 crores, roughly that kind of annual number in terms of revenue. So let's say things go well for you then what kind of revenue potential do you see? Assuming everything was broadly well filled.

Raja Debnath:
So everything goes broadly well. So we should be looking at making ourselves as going beyond what intellect has done. Because if intellect would have done everything right, then we would not have been born. That's the way I put it. And the market is very large. And what we are seeing globally, supply chain finance and trade finance, central banks globally are pushing banks to start doing more of SME financing and SME financing from a banking perspective, supply chain finance, trade finance is the safest way of doing SME financing. So the market, which our other industry leaders also have done, I think it's a fraction of the number. The players that one can look at is at a global level. Say Finestra, which is among the largest globally. That's the kind of player that we look at. Because the gentleman question. The idea is very clear. In the tech business, you use one product, become the leader at it. Then using the same product, you start expanding and layering enterprise sales business. This process is called layering in which to the same bank you start going and selling and adding more and more products. Five years down the line, there could be more products that you start selling to the banks. Same banks. Once you have become champions in these products also, we had the digital lending product with us from day one. It's not that we built digital lending today. But from day one, we did not start selling digital lending. We sold ourselves and marketed ourselves as only supply chain financing. Once we saw to it that the market that yes, these guys are champions in supply differentiating. It's now that we have said, now let's talk about digital lending. And that's the same logic that we'll follow with other products also. So just summarizing in brief, you know. Okay, are we saying we will be at some point easily crossing even 2002 or 500 crores kind of revenue? I'm just putting a number so correct. That's. That's what the aim is.

Ketan:
Congratulations. Rajaji. Just wanted to understand how our platform is different than ONDC. Platform where the similar borrower and lenders are come on the same platform and check their demand and supply and matches the right product, buy and sell is.

Raja Debnath:
ONDC is not a platform. Okay. So ONDC is a protocol. ONVDC is a set of protocol in which any platform, whether it's buyer platform, anybody can go and join that set of APIs. Are there platform like Oscar, replace anybody. Any other platform those APIs use here, they also will be interconnected. That's what it is. ONDC is complementary to what we do. We are not doing ONDC's job. ONDC is doing its job of giving a set of APIs, set of protocols in which anybody who wants to be a part of that network uses that API and lending.

Once so we can able to get a good customers even from the ONDC side as well. Without registration, any bank. Correct. ONDC platforms underwrite currency through our loan management system. Okay, that's, that's the interconnection between ONDC apps and the bank's own Veefin platform.

Pratik Chaudhary:
Great, great. Thank you.

Sir, you said that you charge on a percentage basis, so what is it roughly? Is it like, what basis points is the range of fees that you earn typically? And is it on the loan disbursed or in different products?

Raja Debnath:
How is it under management? It's assets under management and it varies. It varies on multiple things. It varies in terms of what are the spreads that the lender themselves make. It varies on whether the vendor has a portfolio which they are migrating to us on day one itself. It varies on our understanding of what we think that the lender will do, whether the lender, for example, is investing enough themselves in terms of the team size. If we think that the lender has ability of accessing large corporate base, a large SME base, then the charges that we will ask them is going to be lower because we see volumes out there. If we think that the lenders will not do very large business, then the rate that we charge them is going to be higher because we don't expect too much volumes from them.

So this is these three parameters which go in. What are the spreads that the lender will make? What are the portfolio that they will bring onto our platform on day one, and what is our understanding of their ability of doing business?

PratikChaudhary:
So what's the rough range here?

Raja Debnath:
It could vary, that's what I'm saying. So it could vary from a few basis points, single digit basis points, to as much as 30 40 basis points.

Pratik:
Great sir, thanks a lot.

Anvesh Pandey:
Good evening Mister Raja. Congratulations on good numbers. I have a couple of questions. Please bear with that.
First, I would like to understand that there are a lot of onboardings of one after corporates and banks, which is happening on your platform, or maybe you are integrating with API. I presume that all these institutions have been working on some or the other kind of LMS systems and supply chain financing on their own. What is the killing factor which makes them to make, I mean, take services from you?

Is it something that it saves a lot of time or it saves cost?
I mean, I would like to understand.
That first, because premier institutions like Muthoot and few bigger banks like Yes bank and Indusind have been able to have taken your services. So does it, does this entire exercise increases business for them? Does it add to their bottom line? What, how does the entire thing plays out where Veefin has become a lasting partner for these people?

Raja Debnath:
So for the first part, we have a mix of both types of clients. One where our clients have been using some other solution and then they are moving towards second where they have used nothing and just want to start supply different. Where they want to start supply different, it becomes much easier because as a business, they only look out in the market and see who is the leader in the market and they figure out Veefin is the leader in supply chain. They come to us now where banks

are already using a supply chain platform and then they have to move there. The sale is that much more difficult, one would assume, because migrating all of that, all the headache of the entire implementation. Again, why does the bank want to take that? You are absolutely right.

The bank does that because the bank understands that the clients are getting more demanding. The clients are not ready to take system outages, the clients are not ready for slow response. The clients are comparing all lenders in the market and saying, who lenders? Then the bank goes to their vendor and says, then the vendor says, problem because they have not built the solution as a product. Or they say, next version. Plus, going back to the first thing, what I had said, our attrition levels are brilliant. We are the best in the industry when it comes to the lowest attrition. So we know our team knows our systems very well. So our speed is much better than anybody else in the market.

These are the reasons when the bank says, I need the best system, if I need the best system, and to compete with everybody else in the market, let me go out and find the best. That's the reason they come to us.

AnveshPandey:
So my second question is, you said that there are few corporates. Which are due to get onboarded. I mean, go live with you. So once you sign a deal normally. How much time does it take to take a client live?

Raja Debnath:
As I said, we have till date. We have done our entire business signing on banks. And banks are of various shapes and sizes. The NBFC that we have signed, some of them have gone live within a month, because small portfolio product is ready as is. But then there have also been clients who have taken nine months to go live. That's why going forward now that we are moving and starting to get corporates also for that once the PSB alliance project is ready, as I said, 90% of the work is already complete out there. We expect in the month of July to go live with that.

When we go live with that post that our ability of then getting going live with these corporates also will be much faster. The corporates will be able to go live anywhere from a month and half. That's the time for a corporate.

Parth Paripar:
Hi Raja. So I have invested since inception to your company and I have one question on the threat of the company. So pardon me if it's a bit uncomfortable. So just say in case of merchants there is a 2% fees in payment gateway where gradually a lot of competitors came and MDR became essentially squeeze to zero or very less. So this is kind of parallel. Our business is same where we are taking some percentage of transaction. So do you think that as competition ramps up the margin which we make reduces and even go to zero. So challenges and it's difficult. But do you see that as a possibility?

Raja Debnath:
We don't and let me. I think there's a very important question for all the investors here also to understand any business in which the business becomes too attractive for everybody around. And that's the reason you find too many players getting in. When too many players get into a business, they kill the business model. We from day one were cognizant of this factor. That's the reason why the basis point that we have charged has always been very small. Because our intention always has been build a product company so that the same code base can be reused again and again whenever we sign new clients. So that every subsequent implementation of ours gets a better product than the last implementation. That's rule number one. We therefore charge very less in terms of basis point.

When we see competition in the market, the competition is not able to out price us point number one and the basis points charge. It is not exactly like NDR. The reason is our competition, the some of the names that you have taken would like to charge and they are charging the clients one time license fee. But we are not charging one time license fee, but we are charging some basis points across the entire life of the customer. So it is not our basis point, which is the challenge. If you want technology, you either have to pay something, a large amount of money upfront or you'll have to pay a small amount of money over a long period of time. We have chosen the latter model, choose ki. But till that time, banks have to pay for technology.

We will always remain and question is that whether the percentage that we are charging, can it beaten down? I don't think so because that's anyway very less right now. We do not lose deals today on pricing.

Raja Debnath:
Thanks a lot. I would like to thank everybody for the support that you all have given us. Because that the fact that we came in, we had our IPO in July and we are able to have a follow on round of the same size within the next six months. I think it shows a lot of confidence that you all have in us and that makes us work harder and see to it that we continue remaining champions in our space. Thanks a lot. Thanks to everybody.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.