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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 517214

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400 051

Scrip Code: DIGISPICE

Sub.: **Transcript of the Investors/Analysts Conference Call held on 17th November, 2025**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of the Investors / Analyst Call held on 17th November, 2025 with senior management team.

The transcript will also be available on the website of the Company at <https://investorrelations.digispice.com/information.php?page=transcripts>

You are requested to kindly take the above on record and acknowledge the receipt of the same.

Thanking you.

Yours faithfully,

For **DiGiSPICE Technologies Limited**

(Ruchi Mehta)

Company Secretary & Compliance Officer

**DiGiSPICE Technologies Limited
Q2 and H1 FY'26 Earnings Conference Call
November 17, 2025**

Management Participants:

Mr. Dilip Modi: Chairman, DiGiSPICE Technologies Limited & Chief Executive Officer, Spice Money Limited

Mr. Sunil Kapoor: Whole Time Director & Chief Financial Officer, Spice Money Limited

Ms. Aastha Garg: Head Investor Relations, Spice Money Limited

Moderator :

Mr. Snighter Albuquerque: Investor Relations Partner, Adfactors PR

Snighter Albuquerque: Good evening, everyone. A very warm welcome to the earnings Zoom webinar of DiGiSPICE Technologies Limited for Q2 and H1 FY'26.

We have with us Mr. Dilip Modi, Chairman of DiGiSPICE Technologies Limited; Mr. Sunil Kapoor, Whole-Time Director and Chief Financial Officer, Spice Money Limited and Ms. Aastha Garg, Head Investor Relations, Spice Money Limited.

Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature. The actual results may vary as they are dependent on several external factors. A statement in this regards has been included in the result presentation sent to you earlier. We will commence the call with the management taking you through the operational and financial performance for the period under review, following which we will have an interactive Q&A session.

I would like to now invite Mr. Dilip Modi to commence the presentation. Over to you, sir. Thank you.

Dilip Modi: Thank you, Snighter. Welcome to you all this afternoon for the presentation of DiGiSPICE Technologies' Q2 and H1 results for FY'26. It's always a pleasure to connect with all of you on this platform. It's a great opportunity for us as management to share with you where we have reached on our journey, talk a bit about where we are going, and also get to hear from you in terms of any clarifications that you have on where we are and any questions you have in terms of where we are going. We continue to be in a very exciting space, full of challenges and opportunities. At DiGiSPICE, as you are aware, our main and only business now is Spice Money, which is a fintech business focused on inclusion and with the goal of driving access to formal financial services to businesses and consumers living in small town India. It's a five-year-plus journey, and we've seen how over this time we have learned and grown, and we continue to be excited about the journey ahead and what we are trying to solve for.

So let me begin my presentation by sharing with you that what is it that we are trying to build at Spice Money. Can you go to the first slide, please? So, if you look at our overall thinking on what we are building at Spice Money, we are basically building out what we are referring to as a Spice Bharat Stack. Today, we are India's leading business correspondent agent network with over 1.6 million BC points that are using our digital platform to deliver assisted digital payment services, basic banking, and other products and services to over 100 million customers in small towns India. We are one of the most used AePS transaction apps by BC agents across small towns, and we are, through this app, enabling agents to deliver multiple services, starting with cash withdrawal, cash deposit, cash collection, bill payments, and others. This is a platform that continues to scale both in terms of number of

agents as well as number of services that we are able to deliver through this. So, we have a unique distribution mode in rural Bharat, and this is something that a lot of now product manufacturers are beginning to look at in order to be able to access a significant part of Bharat, that is today unserved or underserved by the formal financial services sector.

As we move forward, we are very conscious of the fact that one of our responsibilities is also to digitize cash. So today, our agent network is helping digitize cash through an assisted network where we are able to, through our CICO services, enabled cash to convert to digital and digital to cash. Ultimately, our goal is also to move a lot of the cash-first customers to the digital platform themselves. UPI is a great success story of fintech in India, and we at Spice Money are committed to bringing new-to-UPI users on board. Today, we have over 400 plus million UPI users in the country as an overall industry. We are committed to bringing the next 100 million UPI users. We are a licensed PPI license holder, which allows us to issue a PPI wallet to consumers that they can then store money and use it to pay using the UPI rates.

So, whether it is scan and pay or send money, they are able to use UPI to be able to do digital payments. And also, as part of our stack, we are building for credit for the unserved or underserved. There are lots of small merchants in small towns who are today not able to get access to loans from the formal financial services sector. We want to use our agent network to be able to deliver credit to small merchants and consumers in small towns in a robust and viable way. So, the Spice Bharat Stack is a stack to enable access to formal financial services to consumers and businesses in small town India. The agent network is like our distribution network. Spice Pay is our consumer platform, and lending business is a credit business we are building to enable our agents to both consume and distribute credit to consumers and merchants at large. As I said, we have about 1.6 million agents on our platform, which touch over 100 million customers across 2.5 lakh small towns in over 6,000 blocks.

Let me move on to the next slide to share with you some of our key metrics. So, if you look at this right at the top, we've called out some of our key metrics in terms of number of agents. So as of the end of September, financial year 2025-26, we have closed at about 16.1 lakh agents. We now have an agent coverage across 2.5 lakh small towns in the country. On a monthly basis, our agent network serves nearly 27 million customers, 2.7 crore, and we are a 1,000 people strong team. In terms of some of our key metrics on the product side, from an overall customer gross transaction value, we've closed the quarter at 32,270 crores, which is nearly 22% up year-on-year. One of our key products, which is Aadhaar-enabled payment system, we continue to focus on growing our market share. Our market share, as of end of Quarter 2 FY'26 in off-us AEPS segment stood close to 18.5%. Enterprises continue to use our platform to drive collection as a service, reducing time and cost of cash collection. We have now close to 75 enterprises who have been on-boarded. We offer them services around collections primarily. So, if you look at the CMS GTV, which is cash

management services, we've closed the quarter at Rs. 11,505 crores, which is 30% up year-on-year. And BBPS, which is more related to bill payments by end consumers, we are now close to Rs. 1,300 crores per quarter. In terms of CASA, which is current account, saving account, as a Company now we have on a lifetime basis opened over 1.3 billion accounts, which is double of where we were last year. And more importantly, we've seen that we are focusing on accounts which are also becoming active accounts. So, we've seen a growth in float balances as well, closing the quarter at nearly 245 crores, which is 61% growth year-on-year on the float balance held by these accounts of our banking partners. Credit distribution is one big growth area for us. And we close the quarter to FY'26 at nearly Rs. 176 crores of credit distributed, which is over a 2.6x growth year on year. What these overall metrics have translated into from a financial P&L point of view is nearly a Rs. 124 crore revenue for the quarter, 14% up year-on-year, a Rs. 52 crores gross margin, which is 20% up year-on-year, a 10.6 crores EBIT, which is a 30x year-on-year. And again, like last quarter, we delivered a PAT at a consolidated level of close to 7.2 crores. So now we've had a back to back two quarters of profit after tax, something that I spoke to you all when we connected last quarter, that we are on a journey of now seeing how operating leverage can help us grow on profitability. Given the fact that we have two quarters of profit growth, we have for the first time also this quarter started publishing some ratios for people to look at in a concise way. So, if you look at ROCE, these are all numbers on a consolidated DiGiSPICE balance sheet. Just to remind you, DiGiSPICE is the holding company and Spice Money is a subsidiary. We are going through a process with NCLT now to merge Spice Money into DiGiSPICE. So, when we calculate these ratios, they are at a consolidated Holding company level. So, it's a consolidated balance sheet. So, the ratios of ROCE and ROI are linked to a consolidated balance sheet. Based on our results for Quarter 2, we are seeing nearly a 12.8% annualized ROCE in our business. We are a zero-debt company and we are seeing close to 31.4% on ROI. And also, we are highlighting the fact that we are an asset light model. So, if you look at our, when we calculate our ROCE or the net worth, if you look at the overall net worth, only 11% of that is linked to business CAPEX. So effectively, we are a CAPEX light business and that allows us to drive high returns from a PAT to CAPEX perspective. So, this is something that we have now begun to look at given the fact that now we are in a PAT positive territory and we can demonstrate how we are growing returns. And again, let me emphasize this on a consolidated balance sheet of the Company.

Our goal as a mission continues to be the preferred, most trusted financial services platform for Bharat, where we can leverage our Spice Money agent, which we refer to as Spice Money Adhikari base to deliver formal financial services to small businesses and consumers across over 250,000 small towns in our country.

Can we move to the next slide, please? One of the things that we are very excited about is a new product that we launched at the recently concluded Global Fintech Festival which just happened in Mumbai. As you know, for us, cash withdrawal is one of our main products.

Today, AePS, which is Aadhaar Enabled Payment System, is the form factor which is used for consumers to use their Aadhaar Biometrics, which is both Biometric and face scan to withdraw cash.

We also offer a card-based cash withdrawal product where people can use their card and pin to withdraw cash. At the Global Fintech Festival, we were ordered to be invited as one of two companies to participate in a launch of what is being referred to as a UPI Cashpoint product. This was launched by the Honorable Secretary for the Department of Financial Services. It's a pioneering product where now, in addition to consumers being able to use their biometrics and card to withdraw cash at their nearby BC point, they can also use any UPI app. As we know, UPI penetration is growing. Like I said, over 400 million UPI users in the country. So, this product called UPI Cashpoint allows any smartphone user with any UPI app to withdraw cash from any bank account by simply scanning a UPI QR at their nearest BC point. So, we are looking at all our 16 lakh BC points, converting it to UPI Cashpoints where effectively consumers can go and now use their UPI to scan and get access to their money. So, the customer pays via UPI and cash is handed over instantly, bringing digital simplicity to physical access.

Like I said, this has been a great honor because we now have an opportunity to leverage our extensive last mile network to enable ease of cash withdrawal for consumers at large. We believe that this will allow us to continue to drive trust access in our financial inclusion journey. We are riding on the growth of UPI in our country and we are very honored that we have an opportunity now to add a third and very popular form factor, which is UPI, enable people to use UPI to withdraw cash.

We believe this is a high growth opportunity. The total addressable market of this is at least equivalent, if not significantly much more than the existing AePS network and we believe this allows us to be able to create more touch points for consumers to be able to withdraw cash now, using UPI apps. This is a product which is starting with cash withdrawal limits of about Rs. 5,000 per transaction, Rs. 10,000 per day and Rs. 50,000 per month. But like I said, now with our BC point becoming a UPI Cashpoint, it's a great opportunity for our Adhikari base at large to serve consumers who prefer to use UPI over AePS and card. So, this is a product that we launched at the GFF and hopefully by the close of this quarter, we will see this product in the market. So, we are excited about this. We are getting ready for it and it also showcases how Spice Money is today one of the leading BC networks in the country and therefore can be leveraged to drive penetration of financial services in Deep Bharat. Let me now hand over to Sunil to walk us through P&L for the quarter and for H1 Financials. Over to you, Sunil.

Sunil Kapoor:

Okay. Thank you. Good evening, everyone. Here I am presenting that the financial number, primarily the performance on the P&L side for the DiGiSPICE Technologies Limited. And if you refer to the right-hand side, I am referring to the YTD numbers, how we have

performed. If you see the customer GTV has grown by 25% Y-on-Y basis means half year last year and half year this year. And consequently, our gross margin has also improved by Rs. 16 crores and in the terms of ratio by 19% and operational efficiency has come into play because our indirect cost, if you see, that has not grown, that is static in comparison to the previous year. And if we see on the EBITDA, that's almost movement of Rs. 16 crores, which is flowing from gross margin and consequently our EBIT is Rs. 20.8 crores, Rs. 21 crores in 6 months and resultant PAT is Rs. 14.3 crores. So, here one point is what I mentioned about the operational efficiency come into play as we are more and more sweating the existing products and we are working on the new engines from a credit distribution and spice pay standpoint of view and that will be in the coming time. It will be start contributing more and more on the bottom-line. And if you see that new engine, we have, we are progressing slowly on that also and which is visible in the gross margin quarter-on-quarter, there is also growth on the gross margin on new engines also. So, hopefully these new engines will be contributing in next two quarters and we will be having more better performance in the coming quarters. And if you see that our take rate, we are kind of maintaining even we are diversifying on to different products and the take rate is more or less similar to the last financial year. And if we see gross margin on the revenue side that has improved by 2 percentile and from 38.8% to 40.7%. And with the other products on the pipeline, this new engine plus sweating of the platform, we will be hopeful, we are not only sustaining this profitability, but we will be growing this profitability in the coming quarters. Thanks. I'm handing it over to Aastha. Aastha, over to you.

Aastha Garg:

Thank you, sir. Thank you so much. Can we move to the next slide, please, Viral? So, good afternoon, everyone. I'll be covering some of the key business updates for the quarter. I'll start with the very core metric of our platform, which is the agent network that we have built PAN India. So, if we look at the number of agents that we have, we have almost 1.6 million agents on our platform now, which are across almost 2.5 lakh small towns and approximately 6,500 blocks. And if we see almost 12.3 lakh SMAs or agents are sitting in tier 4, 5 or 6 small towns where the population is less than 20,000 per town. So, this is like these agents are sitting in deep rural India.

Also, if we see that we have been working on expanding our reach in the lesser penetrated areas of India, where if we see that south and west towards the end of the slide, we can see have now also started contributing 15 percent of our agent network sitting there. So, this has helped us in growing the penetration of our agents in the areas where we were initially lesser present. And this will be one of our focus areas going forward also so that we can serve the areas which are underserved right now and ensure broader financial access to people in these areas.

Viral, next slide, please. So, on the back of the agent network, we've also grown our GTVs as well as gross margins. So, looking at the GTV trends, we can see that our GTVs have grown as compared to the last year same quarter significantly. And as compared to the last quarter

also, it is almost stagnant. A little decline seeming because of the decline in the collections GTV. On the back of the GTV growth, we have also grown our gross margins and our gross margin for Q2 has come in at around Rs. 52 crores, which is a significant up from Rs. 43.2 crores in the last year same quarter. The major reason for this movement has been the growth that we've seen in the CICO industry as well as our focus on growing geographically in the underserved areas, which has helped in surging our market share. So, we can also see that due to the growth in the CICO GTVs, we have also seen our market share growing from almost 17% last year same quarter to almost 18.5% in this quarter. And this has also helped our gross margin grow from almost Rs. 30.7 crores to almost Rs. 37 crores in this quarter from the CICO segment.

From the collections segment, we have seen a certain decline in the GTV in this quarter that has been specifically because of some of the degrowth that the overall MFI industry has seen and that has resulted into impact in our GTVs also on the collections front. But overall, there has been growth in this product as compared to the last quarter and we have been able to almost sustain the margins in this product. In the other product segment, which is banking, credit distribution, etc. Also, there is growth both quarter and quarter and year on year, which has led to the growth in our gross margins in these segments also.

We can move to the next slide. Now, coming on to our core product, which is AePS. So, AePS, the key strategies that we have seen here, we have been focusing here for growing our overall reach and market share has been, one is geographical focus that I have already spoken about. Second has been the focus on achieving more wallet share and we have been driving this through the sale of our subscription packs. So, if towards the right, we can see that we have been selling subscription packs for almost six quarters now and we can see that the sale of subscription packs has grown almost 2x to what we were doing at the start of the last financial year.

So, our subscription packs have led to more stickiness and engagement on our platform and this has led to the growth in our overall customers coming and transacting on our platform also. So, if we can see that the overall customers who have transacted have increased from almost Rs. 4 crores in the last two comparable quarters to almost Rs. 4.5 crores in this quarter and one of the major reasons of this has been us driving the business efficiency also, which we have done through the increase in our success rates of this product. So, if we see the product success rates have grown from almost 63.8% in financial year '24 to almost near 74% now. So, the success rates are also helping us grow the number of successful transactions on our platform and people are hence able to do transactions more smoothly and hence the number of transaction base is also growing. We can also see that the industry, while the industry grew 15% year-on-year, while spice money outpaced the industry and we grew almost 27.9% and that's helped us drive the market share to near 18.5% now. And the market share growth has come from almost all the regions and we have seen all major regions contributing to this growth. Some of the future levers in this

segment and space will be, one is AePS cash deposit that we have been speaking about from the last couple of quarters and we have seen consistent growth in the GTVs of this product and this has been basis bank adoption in this product and as more and more banks go live on AePS cash deposit this will help us drive growth in the deposit segment of cash as well. As well as like Dilip already spoke about UPI cash withdrawal is the next big lever that is expected to be launched in December '25 that can help us drive growth in this space. One more regulation on the AePS touch point operator guidelines is expected to go live in January which will also sanitize the space more and help us drive growth as more and more standard protocols come in the space.

Next slide, after AePS we have built almost very strong roots in our cash collections business in the last couple of years and our GTVs on cash collections reached almost near to our AePS GTVs by the end of last year and this quarter though we see a decline in the GTV front on the cash management services side by almost 11.9% like I mentioned the major reason has been here the decline in the MFI industry since in this product we serve various enterprises and do cash collections for them which and major of these enterprises are NBFCs and MFIs and the decline in their overall disbursements has led to a reflection of that in our GTVs as well.

Also, one thing in this product is that this product has now become very commoditized and there's huge margin pressure in this product, so that is one factor due to which we are focusing more on building stronger relationship with more enterprises and we are trying to drive more adoption of end-to-end API integrations with the enterprises we are working with and also scaling the number of enterprises that we are working with. So, if you look at this number of enterprises that we have scaled in the last one year almost we have added 10 new enterprises almost in all segments, be it logistics or MFIs or NBFCs we have added the enterprises in each bucket. We will continue to work on value propositions for these enterprises not only on collection side but also on credit side so that we can offer them end-to-end solutions and grow with these enterprises on an overall level.

Can we move to the next slide? So now coming to the digital part of the collections industry which is the BBPS product. This is one product which NPCI is very strategically driving and wants to drive it to scale the digital part of the collections piece and we are one of the very few players who are working in the offline space of this collections industry and as more and more billers go live with NPCI on this product our GTVs are slowly scaling up on this product. One of the key metrics that we track in this product is the repeat customer base and if you see our customer base has come in at almost 60.8% in this quarter as compared to almost 34.4% of these customers which were repeat customers working with us in FY'24. So that's a huge increase that we've seen in the last couple of years on this product. Also, on the average ticket sizes that each agent is working with us the ticket sizes for this product is also growing which is a healthy metric and we've seen the ticket size coming at

almost upwards of 2400s now. So, we'll keep on working with NPCI as more and more billers go live and drive digital scale on this product in the future as well.

Viral, can we go to the next slide. Now coming to the banking space which is the current accounts and saving account product like Dilip already mentioned we've now opened as a lifetime almost 13 lakh accounts, which is the inclusion of both current and saving accounts, on our platform and the balances that are now deposited into these accounts are close to almost Rs. 245 crores which is a healthy average balance of almost Rs. 1,900 per account. On this product our focus and driver is not only to grow the number of accounts but also grow on the kind of servicing that we are providing on these accounts and the number of agents who are working with us on an overall level who help us service these accounts are also growing quarter-on-quarter and we can see almost 35,000 agents today are those agents who are working on this product not only from an account opening mindset but also an overall account servicing mindset. So, we can see that there's a growth in this metric also year on year as well as quarter on quarter. Now the key focus in this product will be cross selling and upselling on the lines of new products which can help drive growth in this area with the help of enabling more deposits, saving investment products as well as entering and introducing products on the lines of insurance as well.

Viral, can we move to the next slide. Now coming to credit distribution we have been on this product since the last two quarters, we have been discussing that how we have grown on the partnerships with on the secured loan side and we on the basis of those partnerships we have grown significantly year on year and quarter on quarter, both on the count of loans that we have disbursed and on the number of overall disbursement that we have done and our overall secured loan disbursement has come in at almost Rs. 155.7 crores in this quarter as compared to Rs. 96 crores disbursement in the previous quarter which is a 62% growth and almost a 3x growth year on year as well. So as more and more lenders go live with us on this product which we are driving and more and more branches we activate with these lenders across India we are trying to drive more and more growth in the secured loan adoption and numbers growth. On the unsecured side as well, our key focus is leveraging the data intelligence based on the transaction data level insights that we have on the transactions that the Adhikaris are doing on our platform and this will help us optimize the lead conversions that we are doing for the partners that we are working with in the unsecured space. So, this is a one big thing that we are working and we are also enabling our partners with these data insights so that we can help better leads and better conversions on the unsecured loan side as well and if we see that the daily line product that we are doing on the unsecured side has also grown quarter on quarter and we have come in at almost Rs. 20 crores on the unsecured loans also. So, on both unsecured and secured loans we will try and drive growth in the coming years as well and now I will hand over to Dilip sir back again for the closing remarks.

Dilip Modi:

Thank you, Aastha so as you have seen different segments have begun to kick in for us from an overall growth point of view from focusing on AePS to moving to CMS to adding BBPS the digital collection layer of collections to CASA to credit we have now these five key product streams that are powering our transactions revenue and gross margin.

As we build out the business, we are a platform first business so our focus is on partnerships. So, if we were to move to the next slide we would like to just showcase to you as to what are some of the key licenses that we hold as well as some of the key partnerships that we have. So we are in a space of driving formal financial access to the large part of Bharat and for that we are very much not only a self-regulated entity but also a regulated entity we hold both the PPI license as well as the BBPS license from the regulator including also holding the corporate agency license from the insurance regulator, the principal agency license of Railways as well as riding on the Aadhaar stack we also have our own AUA, KUA license from UIDAI. So, we continue to focus on regulation as a key strategic advantage for us as a company and we want to make sure that we continue to be both self-regulated but also be regulated with the requisite licenses that allow us to build products to serve the customers in our constituency. On the banking side we have some key banking partners that we've outlined here. Axis, YES Bank, NSDL these are some of the key banking business partners. On credit side we continue to work with both banks and NBFCs predominantly on the secured credit side. Collections as a business we are very keen to leverage our deep distribution network to allow banks, MFIs and NBFCs, logistics and e-commerce companies to reduce time and cost to cash to make sure they can reduce the risk of carrying cash at the same time convert cash to digital at the point of collection itself. So like Aastha mentioned our journey here is on deeper API integration so that we can also move from cash collection to digital collection. As we are a leading ATM network in the country we also want to make sure that we are a leading collections network in the country and moving forward a key banking agent network in the country.

Insurance is one new category that we've entered into in this financial year. We are very bullish on this category going forward the need to drive protection products in the form of you know micro insurance products are very very critical to the growth of our economy and we are committed to partnering with digital first companies to see how to drive penetration of insurance in deep rural India. So, ours is a partnership led approach, ours is a regulation led approach and we want we are committed to making sure that we can drive more and more formal financial products into Deep Bharat, into small businesses and consumers.

So, let me close with our road map on the next slide please. This gives you a sense of the five key building blocks of our business as we are committed to driving digital net financial inclusion in Bharat using our Spice Bharat Stack. To begin with we are Bharat's largest assisted ATM network with both AePS and micro ATM and now with UPI cash point we

complete the picture where now consumers can use anything they choose to their convenience whether biometric, face scan, card or UPI to withdraw cash at a merchant point at a BC agent point close to where they live. We are also building Bharat's largest rural cash collection network going forward becoming a digital net collections network using our BBPS platform. Financial services whether it's credit, saving, investment, insurance, all accounts and related services we want to be Bharat's deepest financial distribution grid. Here again we are working with partners to ensure that we have a full stack API led program where we can make sure that our BC points can also evolve as banking points for consumers and small businesses in Bharat. Spice Pay is our consumer banking proposition where we want to ensure that we are able to bring cash first consumers onto UPI and enable them to do UPI easily and as we are able to break that offline payment data online we will be able to expose them to multiple new financial products to be able to get the benefit of the larger formal financial economy. And finally credit this is something that we are committed to deliver credit responsibly into Bharat. A lot of small businesses and consumers today are relying on high cost credit. Our commitment is to reduce cost of credit and make sure they can get credit when they want, where they want. And in a manner which ensures that they are able to borrow responsibly and pay on time. So, we are committed to leveraging our Spice Money Adhikari Network which is today one of Bharat's largest banking correspondent network in the country to be able to ensure that consumers and small businesses at large are able to participate in the formal financial economy and contribute to the GDP growth of our country. So, thank you so much for your patience and for listening to the presentation. Very happy to take on questions that you may have or any suggestions that you may provide.

So over to you, Snighter.

Snighter Albuquerque:

Thank you, Dilip Sir. Participants post the opening brief, we will open this forum for Q&A session. Any participants who wish to ask a question may raise your hand and ask your question directly or may also type your question it in the chat box and we will take it from there. We have one question from Vedika from Agarwal Family Office, in the chat box. I just have one question. Agents who have opened 5 plus accounts seem to be highly productive. Seem to be a highly productive segment. Are there targeted programs to scale such behavior across wider agent base?

Dilip Modi:

Thank you, Vedika. Absolutely, that is why this is an important metric for us to track. Because we are committed to building both capability and capacity of our agent base. Account opening starts an account-based relationship for these agents which not only allows them to open accounts but also service them going forward so helps them participate in the lifetime value of those accounts. So, our goal is to both certify them, develop, provide them training, certification to ensure they can do more. And yes, within this our goal is to both increase the number but more importantly also ensure that per agent they are able to do more for the consumers in their community. The very fact that we

have such a large agent network gives us an opportunity to build modular programs to onboard agents to be able to drive both income for themselves as well as provide more products and services to their community. So, this is a metric we will continue to track and continue to grow.

Snighter Albuquerque: Thank you Dilip sir. We have Gulshan Singh who has raised his hand. Gulshan, request you to unmute yourself and ask your question. Please mention the firm you represent and ask your question.

Gulshan Singh: Hi Sir, thanks for the opportunity. Gulshan here from Sunidhi Securities. So, I have just three questions sir. So, the first one is regarding this credit and Spice Pay based business. So right now as we saw in the presentation this contribution from this segment is growing. So just wanted to know so going forward how the contribution we can see from this business. And if you can throw some light on this side sir, on this segment?

Dilip Modi: You want to, Gulshan, give your three questions. We just answer them together?

Gulshan Singh: Sure sir. And the second one is sir, in UPI cash withdrawal. So, I thought, I think it's a big structural opportunity in this segment. So just wanted to know how this segment is, will grow in the future. And how you are looking this segment, we can see like next 1-2 years down the line. And what kind of opportunities we have in this segment, sir? And the third one is in terms of the ROCE, sir. So right now, we are a debt free company with almost 13% of ROCE. So what kind of ROCE we are targeting sir, any increase we are expecting in this, sir? So, these are three questions, sir.

Dilip Modi: Okay, perfect. So Gulshan, I'll take the first two and then my colleagues Sunil and Aastha can add to those as well as take the third question. So just on the new engines Gulshan, let me first start with credit. As Aastha showed you in the credit distribution side Gulshan, there are two legs to credit. One is secured credit, one is unsecured credit. On secured credit, our goal is to partner with leading banks and NBFCs to drive distribution of their credit into smaller towns. So, extend the reach of their branches to be able to offer more secured credit to consumers. So that is something that, Gulshan, will be a function of both number of partners and business per partner. So that is something on the secured side. On the unsecured side Gulshan, which is the lead that small businesses and consumers have on the ground, because as you're aware, they lack sufficient collateral to do secured credit all the time. They have loans, emergency needs for business, personal needs and all that. So unsecured loans where they rely on local money lenders and all of that. So, it's a big unmet need that we ought to serve. And in this we are building our programs, building our algorithms where we can rely on data and physical access to be able to underwrite responsibly for our lending partners. So unlike secured credit where our role is a lot on origination, in the case of unsecured space, it extends to not just origination, but also underwriting and collections. So, this is an area that we want to continue to grow. So right

now, how much will credit as a new engine contribute to the bottom-line growth? I think it's a function of both doing the top of the funnel and the bottom of the funnel. We are working on both in terms of number of borrowers on our platform on the unsecured side and the number of people who actually get a loan over there. So, both increasing the top and the bottom of the funnel. And this is something that we are running multiple experiments. I can just share with you that AI will play a big role here. We are very excited about AI programs under Spice Money. We've not spoken about that in the presentation. But, you know, just to share with all of you that, you know, we are running a big AI program under Spice Money where we will provide, you know, assistance using AI to our *adhikaris*. But more importantly, use AI for, you know, thinking about looking at alternate data for underwriting. Today, we have a unique opportunity with respect to our feet-on-street as well as your ability to collect both primary and platform data. So, Gulshan, this is an area which I believe will contribute significantly to our bottom-line over the next couple of years. So, we are committed to it and we have a large team focusing on, well, I say large team meaning a good-sized team focusing on solving for credit. When it comes to Spice Pay, we see this as our kind of a neo banking app for consumers. As I said, we have over 100 million customers that we touch on an annual basis, nearly 27 million on a quarterly basis. So effectively, we have a lot of cashless consumers who have not yet started using a digital banking app at scale. And we believe that there are multiple reasons for that. We are building out Spice Pay for such consumers. Again, here, the goal is to first drive adoption usage and then look at monetization. As I mentioned, once consumers are able to start paying digitally using that data, we'll be able to recommend to them products that work for them across the financial services space. And there is a business model associated with that program. So effectively, if you look at it, we have a distribution network where we continue to earn on the back of the fees that we earn on the back of distribution of current and future financial products. And on that, we are printing the pillars of both, digital wallet as well as digital lending. So, I would say, Gulshan, we are laying the foundation and hopefully this will, see results, in the coming quarters and years. At UPI Cashpoint, Gulshan, this is a great initiative of the regulator, of DFS, of NPCI, today, we already see in the market that a lot of people are using UPI to withdraw cash from their nearby merchant point. You know, the BC Mitras can come in as a great way to do this in an organized way. So, we are one of the companies who are going to be committed to organizing this space to allow consumers to be able to look out for UPI Cashpoints where they can go scan and take cash. So today, what is popularized as Scan and Pay at UPI Cashpoints will also become popular for scan and take cash. So, we know that consumers sometimes have need for cash as well. How do we make it easy for them to withdraw cash using UPI? So, this is going to be, like we said, very difficult to call out the numbers, Gulshan, but we know that the number of UPI app users in the country versus the number of AePS users, it's an X factor. And so, as we drive adoption of this product, we also are looking at potentially see UPI Cashpoint as helping us grow our overall spice money agent base. So, we hope that this will add to both volume and value of our cash out business. Let me hand over to Sunil on the point of ROCE.

Sunil Kapoor:

Hi. On the return on capital employed, you asked about that how the growth of the return on capital employed. I will say that if you see our capital structure, that is, we are working on the asset light model. We have given another ratio in our presentation about that. And if we see that operational efficiency will contribute to the more profitability and earning for whatever the capital employed is there. So as our operating efficiency keep on going and with what I had mentioned in my profitability presentation, that more and more products we can put on this channel. And whatever the new engines we have mentioned it out, when they will be generating the profits and in the coming quarters, our return on capital employed will have a growth and have immense growth potential. Thank you.

Snighter Albuquerque:

Thank you, sir. We'll move to the next participant. Mr. Raj Vyas. Request you to unmute yourself and ask your question. Please mention the firm you represent and ask your question.

Raj Vyas:

I am from TM Investments Technologies Private Ltd. So, my question is with respect to the momentum across your AePS, CASA and Credit. So which verticals do we expect to be the biggest road drivers for H2 of FY'26 and as early as FY'27 as well? So, could you throw some light on it and any ballpark numbers if you can provide?

Dilip Modi:

So, Raj, if we look at credit distribution, and maybe, Viral, if you're controlling the investor presentation slide, if you could go to the credit distribution slide, please. Because Raj joined late, if you can go to the credit distribution slide. Yes. Raj, if you see this slide, you would see in Q2 this year, we've done about Rs. 176 crores worth of loans distributed value wise and if you look at in just terms of secured loans, it's about Rs. 155 crores and unsecured loans about Rs. 20 crores. But a lot of this unsecured loans is not just origination, but also support on underwriting and collection. So, our earning on this Rs. 20 crores is a lot higher than what we do otherwise. But if you look at just the growth rate, last full year, FY'25, we did about Rs. 253 crores worth of loans distribution. While this quarter itself, we've done about Rs. 176 crores. So, this is one product, Raj, that we expect to continue to scale. This is literally becoming like a directionally Rs. 100 crore a month kind of a product. And this is something that we will look to scale because more and more small businesses and consumers are looking for better credit and formal financial institutions can serve it. So, between AePS, CASA and credit, we are most bullish around credit. Then when it comes to AePS, if you go to the AePS slide, please, Viral, can you just go back to the AePS slide? you see this slide on AePS, our focus is on consolidation. So, the idea is that now the industry is going to go through a consolidation phase because the regulators come up with new AePS touchpoint operator guidelines. So, there's going to be a huge need to self-regulate. So, we think that will lead to consolidation and growth in market share of a few operators. So, like in UPI, you see a few platforms dominating the UPI market. We believe that a few companies will also dominate the AePS segment. And this is how we are trying to grow

AePS. Again, two new products, AePS Cashpoint and UPI Cash Withdrawal, are also two which will help us overall growth in the cash out opportunity. So, this is on AePS. And on CASA, as Aastha explained, it's not about number of accounts. It's about quality of accounts. So, we want to make sure that, we open accounts that are active, that are transacting every month, that there are minimum number of debits and credits happening in the account. Because one of the reasons, one of the things we do not want to see happen is our network leading to set up of a lot of inactive accounts. That is a huge challenge which we need to solve for to make sure that we have active accounts. So, our focus is going to be on quality of accounts. And we are working with our banking partners to see how we can drive both transacting accounts and every active account. So actually, in terms of just order, it's credit, AePS, CASA, but all three we believe will continue to contribute to our growth in business. Thank you.

Snighter Albuquerque:

Thank you, sir. In between, we'll take some questions that have been put on the chat box. Vedika, who had asked an initial question from Agarwal family office, she has a follow up question. Question is, as float balances expand, what additional monetization avenues are you exploring beyond the core CASA income?

Dilip Modi:

Vedika, as our agents start opening savings accounts for consumers and current accounts for small businesses around them, the goal is to establish account-based relationship with the consumer and the small business. So now not only can our agents become points where consumers and small businesses deposit cash into these accounts to grow the balances, but also transact with the account. So, our goal is to work with our banking partners to drive a CRM program where we get engaged to understand what are the products can they be used to become fully banked. So, at the end of the day, depending on the persona, we look at, what sort of investment opportunities, what sort of other saving opportunities there are, but also then start looking at products like credit and insurance. So, at the end of the day, the goal is not just to open accounts, but to send multiple products in these accounts and effectively Vedika, start thinking of ourselves like a branch network. So, if you think of bank branches, right, the journey starts with opening account and then it grows from there. So that's how we are thinking that today banks at large have two channels to onboard and engage with customers. One is the bank branch channel and the other is the digital channel. We have an opportunity to provide to them an effective third channel where we have a digitally enabled agent network. That can function as a mini branch for our partner to be able to both onboard and drive services adoption in this way. So the idea is to not just be an extended branch network, but make sure that we are able to deliver more services through this branch network. So, opening an account is the starting point of the journey of serving consumers at one end along with small businesses and banks and NBFCs and other financial providers at the other end.

- Snighter Albuquerque:** Thank you, sir. We've moved to the next question. Suraj Shinde from YES Securities. Only 4% of agents are selling CASA. What is your adoption target for the next 12 months and what ARPU uplift does each activated agent generate?
- Dilip Modi:** Yes, so I think, just on this CASA point, I want to make a point here that one is to grow number of agents opening CASA. But I think what we are equally, if not more keen on is to drive more business per agent. You see, the idea is that, you know, when banks look at opening branches, you know, they look at the economics per branch. And when we enable an agent to become a point to do CASA, we want to look at business per agent. So, we don't want to spread ourselves too thin. We want to make sure we have good reach. But look at it this way that, if you look at overall as a country, bank branches about a little over 200,000, right? We have significant number of agents. So even if we get to about, 50,000-100,000 agents, which are doing account opening, we've become one of the largest branch networks in the country. So effectively for us, it's about making sure that the quality of accounts and the quality of agents onboarding customers with these accounts is the key metric that we want to chase. So that's what we're going to continue to focus on.
- Snighter Albuquerque:** Thank you, sir. He has another question. Secured lending disbursements are at Rs. 176 crores. That's 3x on a YOY basis. What is the FY'26 full year disbursement target? And what percentage of this will be secured versus unsecured?
- Dilip Modi:** So, as I mentioned, our goal is to get to nearly Rs. 100 crores a month kind of a number. But majority of this, nearly 70% continues to be secured. And maybe the pie on unsecured will be more than 30%.
- Snighter Albuquerque:** Thank you, sir. And the last question, what are your early delinquency and 30 plus DPD numbers for the secured loan portfolio? And what loss rates are you underwriting for FY'26?
- Dilip Modi:** So actually, on the secured loans, we are not underwriting any losses. There is no delinquency that we participate in. Secured loans for our partners is by definition a better category when it comes to managing delinquency. But our role is more as lead originators. And that's what we focus on. But obviously, we make sure that we help the lender to find borrowers, but we have no participation on underwriting or delinquency on the secured credit side.
- Snighter Albuquerque:** Thank you, sir. Another question from Atul Daga from Daga Securities. This quarter marks your strongest revenue performance in six quarters alongside a sharp improvement in profitability. Could you walk us through what changed on ground, whether it was better throughput or per agent improved mix or cost efficiencies that helped deliver this outcome?

Dilip Modi:

So, Atul, thank you for this question. Actually, it was a combination of all of the above. If you really look at it, the way now we are beginning to see the last five years, we grew our agent base significantly. Now, what is our focus is to drive throughput per agent. So, we've just been talking about CASA, we've been talking about credit. So, our goal is to now do more per agent. So, that continues to be our big focus, you know, to look at a certain cohort within our large agent base and see how we can drive more throughput per agent. So, that is definitely our number one focus. In terms of mix of products, you know, we are looking at more value-added products like credit, which offers you offer higher margins to both the agents and as a Company and to the lenders and the others also enables them to do more and more importantly for borrowers, it helps them to get access to better credit. So, this is something that we continue to want to drive on CASA as we open more quality accounts and as more products are sold per account or consumed per account, we will be able to drive the take rate there as well. So, our goal is through product mix to drive our take rate. We are closer to about 40 bps. We want to get to 100 bps. So, effectively, in terms of throughput per agent, higher GTV per agent, in terms of take rate move from 40 bps closer to 100 bps and cost efficiency, Sunil spoke about it. This is something that we will continue to focus on. If you look at H1 this year compared to H1 last year, our costs have not gone up. And the reason they have not come down is because we are committed to new engines. If we were not investing in new engines, our cost would actually, even reduce from that point of view. But we are committed to also looking at AI and tech-led interventions to make sure that we can drive more from the same. And one of the reasons you've seen our indirect costs of new engines also come down is because some of our platform resources are being allocated to also help us on new engines. So, you're not doubling up in terms of hiring more, but getting more from who we have. So, there's a lot of upskilling happening of our current teams. And all of them are now becoming AI-first developers to make sure that on code development, on customer service, we continue to use AI to drive efficiency. So, it's all of the above to both drive topline and as Sunil mentioned, it's an efficiency led bottom-line growth.

Snighter Albuquerque:

Thank you, Dilip sir. We move to the next question. Chelsea from Avendus Spark. I just wanted to know, there are several new products lined up for H2. What are the key investments being made to ensure readiness and scalability of these launches?

Dilip Modi:

Thank you, Chelsea. The biggest one to begin with is the UPI Cashpoint. This is playing into our core domain of cash withdrawal. And this is one area where more than investment, it's about getting the product ready. We've tested it. We're waiting for some of the large platforms to get ready for it to be able to launch it towards the end of this quarter. This is more a GTM readiness that we are having. South and West are two big markets that we're very excited about. There's heavy UPI penetration over there. You know, we believe that this product has great legs to grow there. And so, this is more a GTM readiness. And we

believe that this has an opportunity more to add a great new product to our current BC agent base. But also, we are hopeful that it will help us grow our number of BC agents. So, this is the first big launch that we are excited about and committed for H2. We continue to look at, our core areas around credit. And as we add more partners, and as we scale up on our AI-led underwriting programs on secured credit, we see that as a big one. So, the investment there is more around running pilots on the ground. You know, where we are collecting data and then feeding it onto AI systems to be able to run and compare both AI-led underwriting and manual underwriting. So, there's an investment involved there. So, we have a separate bucket around credit-related investments. And the third one is Spice Pay, which is our new banking app for consumers. And this is, again, a bucket in itself where we are working with partners to look at that program. Here, our focus is to make sure that we can drive both product market fit and unit economics. There is talk about an MDR component on PPI-led UPI spending. But this is something we are not betting on right now because overall, UPI has grown at a zero MDR. So, we are looking at building the economic model outside of that. But we want to make sure that there we invest in product market fit. So, a lot of focus right now is going in terms of market research, on-ground market surveys, ethnography work that we are doing. You know, so if you really look at it, what is our network investment where we are focusing on FOS, distributor capacity, you know, Adhikari training and development, platform business, the credit business where we are focusing on partner engagement, AI-led underwriting programs. And then Spice Pay, which is around on-the-ground market research and flow work, as well as designing and building the product to make sure that, we are able to put a great app in the hands of consumers that they fall in love with. So, I think over the next five months, before we close this financial year, you're absolutely right, there's a lot happening. Some of it will show results in the short term, but quite a few will show us results in the coming year and beyond.

Snighter Albuquerque:

Thank you, sir. We have one Rahul Ahuja who has raised his hand. We'd like to take his question. Mr. Ahuja, please mention the firm you represent and go ahead with your question.

Rahul Ahuja:

So, the CASA momentum has been impressive with over 13-lakh accounts opened. I just want to know that what is driving this pickup and how large do you see this opportunity becoming over the next few quarters? I am Rahul Ahuja from Sky Capital.

Dilip Modi:

So, Rahul, as you see, the need for accounts grows, the number of accounts opened will grow. One of the key things to watch out, Rahul, as you think about account opening is to make sure that we continue to open quality accounts, Rahul. So, like I said, that's why float balances are very important for us because we want people who will open accounts and then use them, which basically means they will have balances which are growing in those accounts. So, I think, we are just making sure that we don't just open the funnel and just have lots of people opening lots of accounts. So, it's a kind of a measured growth, Rahul, where we are not just opening the thing for lots of agents to open accounts. It's very

selective. It's training-led. It's capacity-building. And therefore, but yes, directionally, if you look at the number of branches in our country and the number of consumers and small businesses to serve, there's a big gap. So, can our agents from just being ATM points become effectively mini-branches for banks and NBFCs at large? The answer is yes. So, I think, with some of our leading banking partners, we have programs where we are trying to do more per agent and effectively convert them into a mini-branch. So, this is a segment, Rahul, that we are focusing on because eventually consumers want to go to a physical branch to engage with their bank. If our agents can double up as mini-branches for our banking partners, it can allow them to multiply the reach of their branches. So, we will keep you updated in terms of some of the programs we are running with some of our anchor banking partners. And that will show us the kind of opportunity that exists because almost every bank in the country is looking for a blue ocean in terms of quality accounts. And if we can enable that for them, we believe that we have an opportunity to grow with them.

Snighter Albuquerque:

Thank you, sir. We'll take our last question from Mr. Lalit Agarwal. What is the average ticket size of the unsecured loans and do we have any seasonality in our business? Two separate questions from Lalit Agarwal.

Aastha Garg:

So, on the average ticket size in the unsecured business, the average ticket looks like a Rs. 50,000 daily loan that we give to an Adhikari today. And on the seasonality in our business, I think on the credit front in unsecured loan, that might not be relevant. But if we come to businesses like CMS, yes, there is seasonality in terms of various enterprises that we work with. So, there are farm enterprises we are working with where the collections happen more in the farm cycle. And then there are logistic enterprises, more logistic sale happens towards the festive season. So, there's that. And then coming to our obviously core business, AePS, that also has some kind of not seasonality, but there is growth and degrowth related to some kind of state and national subsidies that do flow in this product. So, that's there in the overall AePS business. Other products, for example, CASA and credit do not see a lot of seasonality.

Snighter Albuquerque:

Thanks, Aastha. That was the last question. I now like to hand over the stage to Dilip sir for his closing remarks. Sir, over to you.

Dilip Modi:

Thank you, Snighter. Once again, thank you so much to all who have taken out their valuable time to join us on a Monday. I really encourage you to stay connected with us. This is a very exciting space. We are, literally with shovels, building things from things which have never been built. We are serving customers that have never been served in terms of building the full financial services stack for them. We truly believe we are building a foundational layer for Bharat Banking. And we are very excited with this opportunity as well as the ability to work with multiple partners in the ecosystem. We are blessed to have a regulator who's committed to not just orderly growth, but innovation. The RBI Innovation Hub is a great initiative where they continue to work on programs to drive financial

inclusion. We are very excited with the opportunity to work with such a progressive regulator. We are very blessed to have partners, marquee partners, who have chosen our platform to be able to drive penetration of formal financial products.

And let me close by saying that we are truly blessed to be able to serve over 100 million consumers who today are not touched by the formal financial sector because of the lack of economics of opening a branch in a community where they live. So, we are truly not just building a business. We are making sure that we serve people at large and do it in a profitable and viable way. So, we invite you all on this unique journey that we are on of financially empowering Bharat at scale. Thank you so much for your time and thank you for your patience.

Snighter Albuquerque:

Thank you, Dilip sir. Thank you everyone for participating at our earnings quarterly call of DiGiSPICE Technologies Limited. We look forward to seeing you next quarter as well. Thank you and have a great evening.

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