



“Seshaasai Technologies Limited

Q3 FY '26 Conference Call”

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**MANAGEMENT:** **MR. PRAGNYAT LALWANI – CHAIRMAN AND  
MANAGING DIRECTOR – SESHAASAI TECHNOLOGIES  
LIMITED**  
**MR. GAUTAM JAIN – WHOLE-TIME DIRECTOR –  
SESHAASAI TECHNOLOGIES LIMITED**  
**MR. PAVAN KUMAR – CHIEF FINANCIAL OFFICER –  
SESHAASAI TECHNOLOGIES LIMITED**

**MODERATOR:** **MR. PRATIK JAGTAP – E&Y LLP, INVESTOR  
RELATIONS**

**Moderator:** Ladies and gentlemen, good day and welcome to Seshaasai Technologies Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pratik Jagtap from E&Y Investor Relations team. Thank you and over to you, sir.

**Pratik Jagtap:** Thank you, Sagar. Welcome everyone and thanks for joining Seshaasai Technologies Q3 FY '26 earnings call. The results have been mailed to you along with the investor presentation and it will be also available at [www.seshaasai.com](http://www.seshaasai.com). In case anyone does not have the copy of investor presentation, please do write to us and we will be happy to share it with you.

To take us through the results today, we have management of the company represented by Pragnyat Lalwani – Chairman and Managing Director, Gautam Jain - Whole-Time Director and Pavan Kumar - Chief Financial Officer. Pragnyat will start the call with brief overview about the company and business update and Pavan will take us through the financial performance for the quarter and 9 months. Then we will open the floor for Q&A session.

As usual, I would like to remind you that anything that is mentioned in this call which reflects any outlook for the future, or which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that we face. These risks and uncertainties are included but not limited to what we have mentioned in the prospectus filed with the SEBI and subsequent annual report that you can find on our website.

Having said that, I will now hand over the call to Pragnyat sir. Over to you, sir.

**Pragnyat Lalwani:** Thanks, Pratik. Good evening, everyone and thank you for joining us today for the Q3 FY '26 earnings call. It is always a pleasure to connect with you all and discuss the quarter update.

Q3 FY '26 has been a significant quarter for us both from an operational and strategic standpoint. While macroeconomic environment is uncertain, we remain focused on disciplined execution, advancing capacity expansions, securing multi-year contract wins and strengthening our technology and innovation roadmap.

During the quarter, we reported revenue of INR 374 crores, reflecting a growth of 6.1% sequentially and 10.1% on a Y-o-Y basis. PAT stood at INR 64 crores with a PAT margin of 17.15%, a growth of 19.3% on a Y-o-Y basis.

The growth in Q3 was supported by increased contribution by payment solutions and steady contribution from our communication and fulfilment and our IoT solutions. This indicates improved scale and better throughput in core businesses. At the same time, we are continuing to invest for future growth through capacity expansion across IoT, automation and metal cards, ensuring readiness ahead of the demand growth.

So let me discuss the business highlights of each of the verticals and then Pavan will discuss the financial updates.

Payment solutions continue to be a core pillar of the business, contributing 53% to our top line in Q3 FY '26 versus 51.1% in Q2 FY '26. This growth was primarily driven by increased offtake from existing and new customers.

In payment solutions, we secured tender wins for multi-year contracts with four of our existing PSU Bank customers for payment cards. The above also includes the debit card procurement and personalisation contract from one of the largest public sector banks in India. We also secured tender wins for multi-year contracts with three public sector banks for personalised checkbooks and merchant QR kits. These multi-year contracts based on volume allocation represent a business potential of approximately INR489 crores for Seshaasai as per the budgeted tender value over the tender period. The revenue accretion would be on a consumption basis over the period of these contracts. In addition to this, we also onboarded eight of the customers for payment cards across banking, fintechs and forex card issuers. We are seeing strong traction in the metal card and premium card segment.

We have been shortlisted by a large European fintech to supply metal and PVC cards globally. This is a very prestigious account and holds good potential. Also, an update from our last earnings call regarding the RFP of the domestic payment scheme for supply of metal cards. We have submitted our bids for this RFP and await next steps.

In the payment ecosystem, metal cards have emerged as a powerful symbol of differentiation and loyalty. In India, multiple banks have launched metal cards predominantly as credit cards and now banks are taking this trend to debit cards as well to retain and grow the premium banking segment. While volumes remain exploratory, significant growth is expected driven by aspiration, brand positioning and higher lifetime customer value.

Case in point being, one of the largest PSU banks I mentioned above, has also expanded its scope to include next generation offerings such as metal cards, biometric cards, dynamic CVV cards and non-card wearable form factors in this new contract. We are seeing rising demand from transit-led projects for interoperable payment cards used in metro and buses.

Our communication and fulfilment segment continues to remain stable and contributes 36.4% to the top line in Q3 FY '26. Demand from BFSI, government and enterprise customers remain healthy supported by regulatory communication requirements, identity-led programs and specialized fulfilment needs. Our proprietary software platforms including the logistics aggregation software continue to differentiate us in this space and deepen customer stickiness.

In communication and fulfilment solutions, we secured tender wins for multi-year contracts with 5 customers across banking and government institutions. These multi-year contracts based on the value allocation represent the business potential of approximately INR210 crores for Seshaasai as per the budgeted tender value over the contract period. The revenue accretion would be on a consumption basis over the period of these contracts.

In IoT solutions which is 10.3% of top line in Q3 FY '26. Adoption of RFID solution continues to expand across industries such as retail, logistics, renewables and manufacturing. In IoT solutions vertical, we have seen 6 new wins across various sectors this quarter. Notable among

them is a special win for us which is the largest Indian retail giant having more than 19,000 stores for whom we have begun our supplies for two of their fashion sub-brands and shortlisted for their major RFID rollout shortly.

In retail, RFID has moved from experimentation to execution. Tier-1 large retail format players have already demonstrated how item-level visibility drives accuracy, speed and omni-channel readiness.

Now we are seeing traction amongst Tier-2 retailers adopting RFID to compete on efficiency, reduce stock losses and enable store-led fulfilment. Affordable tech costs and faster ROI cycles are accelerating this shift, making RFID a foundational capability rather than a premier add-on.

Seshaasai's unique strength of chip bonding, inlay design, specific use-case-based tag manufacturing, its speed and agility has been a differentiator and enabler to help solve customers' problems and offer relevant technology solutions.

This large-scale manufacturing of garments moving to India by the global players and the various FTA agreements done by the Government of India, we feel Seshaasai with its diversified RFID portfolio is well-positioned to capture the opportunity of source tagging or RFID happening from India.

It is only due to the diligent efforts of our team that our contributions have been recognized within the industry, and we have been awarded the Partner of the Year at the Intelligent Ecosystem Summit by Avery Dennison. Across sectors, one theme is clear, visibility is no longer a nice-to-have, it is mission-critical.

In logistics and supply chain, the conversation has evolved from beyond track and trace to condition awareness. Sensor-based traceability using data loggers, Bluetooth devices, smart sensors is transforming cold chain pharmaceuticals and high-value shipments. Real-time data on temperature, shock, humidity and dwell time is becoming essential to compliance, quality assurance and brand trust.

We are standing at a defining moment in India's digital and physical transformation where identity, connectivity, traceability and trust are converging to reshape how commerce, healthcare, logistics and financial services operate at scale. The opportunity before us is vast. It lies in embedding intelligence into physical objects, enabling trust through data and building platforms that scale across industries from retail and logistics to healthcare, BFSI and IoT.

Seshaasai is on this very journey, leading this transformation which will not just improve efficiency, but define the next decade of resilient, connected and intelligent commerce in India. We also continue to strengthen our technology moat through six new patent filings in the last 9 months as well as aligned certain strategic technology partnerships for building advanced product authentication and anti-counterfeiting capabilities in our product offerings.

Overall, Q3 was a quarter of preparing the business for scale, increasing capacity, advancing technology capabilities and securing long-term contracts while maintaining discipline on execution and capital deployment. Currently, we have over 200,000 square feet under

construction across four locations for our new facilities at Bengaluru, Nagpur, Navi Mumbai and Kundli for our future business growth.

Looking ahead, we are optimistic about the medium to long-term outlook. Historically, the second half of the year, especially Q4 has tended to be stronger across verticals, and we expect this trend to play out in Q4 FY26.

With that, I will now request Pavan to take you through the financial and operational highlights for this quarter. Over to you, Pavan.

**Pavan Kumar:** Thank you, Pragnyat sir. Good evening, everyone and thank you for joining our Q3 FY26 earnings call.

Let me start with a quick summary of our performance for the quarter and 9 months gone by. In Q3 FY26, our total revenue stood at INR374 crores, up 6.1% quarter-on-quarter and 10.1% Y-o-Y. This growth was primarily driven by steady execution across all verticals along with traction in the payment solutions business.

EBITDA for the quarter came in at INR100.7 crores with an EBITDA margin of 26.95%, an increase of 316 bps Y-o-Y. Our PAT for the quarter stood at INR64.08 crores with a margin of 17.15%, up 133 bps Y-o-Y. This growth was led by increased gross margins, lower finance cost and also higher scale in this quarter.

In terms of revenue mix across our core verticals, payment solutions continued to be the largest vertical, which contributed 53% of the revenue, followed by communication and fulfillment solutions at 36.4% and IoT solutions at 10.3% in Q3 FY26. This shows that IoT is now a material vertical contributing to growth and diversification.

The top 10 customers contributed almost 63.5% of our revenues and more than 97.45% of our revenues came from existing customers, showcasing the stickiness of client relationships and strong renewal and repeat business characteristics of our business model.

For 9 months FY26, our total revenue stood at approximately INR1,037 crores, a decline of 5.3% Y-o-Y. EBITDA came in at INR 269.6 crores with an EBITDA margin of 26%, an increase of 140 bps Y-o-Y. Our PAT stood at INR158.57 crores with a PAT margin at 15.3%, up 70 bps Y-o-Y.

On the balance sheet and cash flow front, we remain well capitalized. As of 31st December 2025, we had cash and cash equivalents of approximately INR 387 crores.

With respect to the IPO proceeds, utilization remains in line with the stated objects of the issue. During Q3, funds were primarily deployed towards debt repayment of approximately INR 230 crores. With the INR70 crores repaid in the previous quarter, the total debt repayment amounted to INR300 crores as per the IPO objects. The capital expenditure in this quarter stood at INR34.28 crores. The total IPO proceeds utilized were at INR 346 crores with about INR 254 crores remaining to be unutilized, which will be utilized over the subsequent quarters.

To summarize, Q3 FY26 was a quarter of disciplined execution while continuing to invest for growth and technology. Our margins, balance sheet strength and diversified revenue base provide a solid foundation as we move into the next phase of growth. Thank you. Over to the Moderator.

**Moderator:** Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

**Devesh Agarwal:** Thank you for the opportunity, sir and congratulations on good set of numbers. Sir my first question would be if we see EBITDA growth has been higher than the revenue growth. Clearly, we see that there is a gross margin expansion that has happened despite the rupee depreciation. So, could you share what is driving this expansion in margins and is it sustainable going into FY27?

**Pavan Kumar:** Hello, Devesh. Hi, this is Pavan here. I'll take that. So, the improvement in overall gross margins is attributable to factors across all verticals. Primarily, we have benefited from the favorable product mix similar to what we had in the last quarter as well. Operational efficiencies have kicked in as volume and scale has grown in this quarter.

Another part is where on the procurement initiatives, we were able to source from vendors with favorable payment terms and our overall import costs reduced. So, there has been an improvement in paper prices and other core raw materials such as chips, etcetera in this quarter. We also continue to use in-house manufacturing of our inlays in IoT vertical.

These are a bunch of factors which we have seen help us in this quarter to deliver on the gross margins. On the overall outlook, we are confident to maintain on a similar range from 43% to 45% gross margins. However, we are also keeping a close eye on the dollar increase and we would see how things move on from here. I hope that answers the question.

**Devesh Agarwal:** Sure, sir. So, what percentage of our cost is dollar denominated?

**Pavan Kumar:** Approximately 37% to 38% is dollar denominated, which is the imports for various raw materials across our verticals.

**Devesh Agarwal:** And you said one of the reasons for a favorable gross margin is the favorable product mix. So, can you also share the segment-wise gross margins or EBITDA margins for the three segments that we have?

**Pavan Kumar:** We've not shared those margins in our earlier DRHP and prospectus Devesh because we have a lot of materials and infrastructure that we use which are common across all the verticals. So, that level of bifurcation at this stage may be difficult, but that's something that we'll keep an eye on and hope to see how we could start tracking that and provide that.

**Devesh Agarwal:** Sure, sir. And so, if we see the revenues for your three segments, what we see that on a Y-o-Y basis, your payment solution has seen a 7% decline despite overall revenues growing at 10%. So, is this decline largely restricted to the lower volumes or there has been some price moderation as well?

**Pragnyat Lalwani:** Yes Devesh. Hi, Pragnyat here I'll take that. So, I think, as we said that there has been definitely an impact of volume that has been playing around in terms of the business. So, there's a mix. I would say the larger contributor would be the reduction in volume. There has been maybe marginal price corrections as well from a few customers. So, it's a mix between, I would say, volume and some amount of price correction as well.

**Devesh Agarwal:** Right. And sir is the share of metal in the overall payment solution revenues kind of increasing or it's still not yet picked up?

**Pragnyat Lalwani:** So, it's a good question. In fact, what we see here is that in this coming quarter, we have seen a very good order book for the metal cards. And in fact, we are expecting probably the order pipeline for metal cards to build up very well. So, I think going forward, though it is a little delayed compared to our expectations, but going forward we feel metal to be an important driver for business and also for profitability.

We are seeing metal card projects coming up from various customers. In fact, you'll be glad to know that right now there are three government banks with whom we are discussing good amount of metal cards, which was like something unheard of quite some time before. And at least half a dozen projects that we are working on with customers on metal cards, which are at various stages of sampling and go live.

So, we feel metal from Q4 onwards and going to the next financial year would be an important contributor to the revenue. And seeing that demand expectation plus also, as we said, we are working on a couple of large metal opportunities, one being the domestic RFP, the other being this global Fintech that we've been shortlisted with.

Also another global player that we're working with. There are some domestic Fintechs also. So, expecting this itself, we have begun our expansion and investment to probably explore possibilities of also increasing our metal card capacity so that we are ready by the time this opportunity really starts playing up.

**Moderator:** Thank you so much. Our next question comes from the line of Jay Patwa from Vani Financial. Please go ahead.

**Jay Patwa:** Yes. Congratulations for a good set of numbers. My query is on payment solutions rather than the traditional BFSI, where we are focusing on other segments like metro cards or other payment variables, whereas like in these theme parks and all. So, can you give some color on that?

**Pragnyat Lalwani:** Yes. So, see, essentially just to tell you, there are two types of payment instruments that are there. One are closed-loop and one is open-loop. So, typically, in many of these payment theme parks, etcetera maybe if you see even in Disney World, where you have a band or you have a card which is given to you which is a closed-loop card, which is predominantly not regulated by Visa, Master or RuPay or these global schemes.

So basically, it's probably a card for collection of money. But it doesn't happen to be a payment card in the actual scheme of things. Now, what we are focusing on is two types of opportunities. One is essentially the transit card which are used essentially by system integrators, by metro

operators and also by banks. So here we have three set of customers. One is we have large banks which take up the project of automatic fare collection of metros, bus stations, etcetera. Like for example you would have seen State Bank of India has a project for Mumbai metro right? And we are one of the service providers to them. Similarly, they do it for Chennai metro. So we are a service provider to them. We also do it with them for multiple metros in Kanpur, Lucknow, Nagpur, etcetera.

Apart from that, you have certain Fin-Tech players who are also taking up projects. So for example, Delhi metro has been taken over by one of the small payment banks. So we are basically working with them as well. So on the metro side, there are also certain government programs that we work with which are again linked to transit, which come in where the free transportation to beneficiaries is treated as a DBT initiative. So there again, we work with the system integrator in one of the states in North India. We will be starting a program in January for Maharashtra state with the system integrator for the road transport corporation. So, you are very right. Apart from the banks, we continue to look at opportunities where we work with system integrators. We work with Fin-Techs. We also do cards similar to the Sodexo meal vouchers where those cards are also given for people which can also be used in transportation etcetera. So on the amusement theme parks etcetera that probably will be a business opportunity which we are exploring which comes into our IoT solutions vertical because it's not regulated as such. So, we tend to put it into our IoT vertical. In fact, we do some cards in the closed loop business as well. For example, before the Mumbai metro went from closed loop to open loop, we were supplying them the cards etcetera. So we try to focus on where the opportunities come.

Also, on the non-variable form factors we recently closed a program with one of the large global schemes where we closed an order for stickers where the global payment scheme in India is promoting stickers as an add-on payment factor to be used in transit for their banking customers as an add-on to the debit card. So, we just recently closed that order. I think it was in this quarter in Q3 and the supplies have happened for that. So that's our overall approach to non-card form factors and transit.

**Jay Patwa:**

Okay great. So, my second question is on the communication and fulfilment segment. So basically, this segment is also growing sequentially and Y-o-Y. So my question is that in this segment also, there are multiple sub-segments I can see and one of that is like issuing of these health cards to the insurance company? But I think after COVID the majority of the companies have stopped issuing these health cards. So actually, which segment or sub-segment in this communication and fulfilment is growing in your segment?

**Pragnyat Lalwani:**

So just to give a flavour of what construct our communication and fulfilment business is made up of right? We basically have three different products in the communication and fulfilment solution business. One is essentially we have data-driven communication going out to customers which is either business-driven or statutory-driven.

Second is we offer an end-to-end logistics management platform to customers where customers for whom either we produce a deliverable or even if there are some other agencies producing deliverables. We offer the aggregation and the whole platform with integration of the customer's mobile app and the entire notification etcetera.

And the third is we have an inventory and order management system platform where we take up the orders for large corporates. So 35,000 bank branches across large banks are serviced with almost 4,000 SKUs from this platform across banks. So what we have found now is that there is a greater degree of consolidation happening because of GST compliances, etcetera.

There's a greater compliance coming in from how cyber security processes are taken care of, how data is being managed by service providers. So our growth in this probably is coming from large enterprises consolidating vendors because their volumes are getting rationalised, giving more importance to process adherence and compliance. And that's where we see the demand coming in for the compliance business. Probably the health card you're right a lot of these things have gone digital. But we continue to do in this business the identity card solutions where we are doing the large citizen ID card project and the tax ID card project both for the government which comes into this vertical.

But these are the factors which are driving the growth in the business. And our logistics management is known as integrated logistics management which is part of our communication and fulfillment solution vertical where we have found in the recent past a lot of traction coming in here. And we've really got four wins in fact of ILMS customers in last nine months and some of them are very substantial. So together with wins for data driven communication within the ILMS and IOMS these are the three contributors to growth in the communication and fulfillment business.

**Jay Patwa:** Okay. And my last question is on the IoT vertical. So can you give a flavour like there might be so many competitors in this vertical unlike your payment solution there are almost duopoly. So where as a company we stand, we are definitely growing at a small base. But what is our moat that we can grow at a similar pace in future also?

**Pragnyat Lalwani:** It's very important to understand the offering of the IoT business especially right now, the couple of projects or I would say almost half a dozen projects that we're working on. See the IoT business, especially for us is across multiple sectors right? We work in retail, we work in renewables, we work for logistics customers and also we work for manufacturing and others.

In the retail business what we have seen is that offering is essentially very critical to the supply chain of the brand. So here we have three or four critical enablers right? One is we have a platform which workflow is aligned as per the workflow of the enterprise. There is a tight or a loose integration into the backend systems, where the data flows depending on how the product lifecycle management functions for the brand in terms of how the ordering takes place.

We are integrated very closely between the brand owners and the manufacturers. There is a rule engine and a complete workflow basis with the tags are dispatched to the factories. It's a very, very dynamic and demanding business where turnaround times are very crucial.

Also, the execution happens from multiple geographies for us. We execute these projects now from Chennai, Bangalore and Delhi. Also, a lot of the tags that are produced are not available off-the-shelf. Quite a lot of them are custom designed by us in our design facility. So we also do chip bonding for those in-lays in-house.

So, what typically if you see, maybe if I will elaborate right? Number one is you need to have your own in-lay design facility. Number two you need to have your own technical platform to be able to handle this. Third is you need to have a scale of volume that you are able to handle. You need to have multi-locational infrastructure and more importantly the credentials to be able to manage this data in a very, very secure manner.

And this is essentially how we feel these are the moats which have been done. Apart from this we want going forward to be a full-stack solution provided to the customer, we will offer the tag solutioning, which is important for the source tagging. Then you will offer the middleware software which is required to integrate the WMS and the ERP. And third is the hardware which is required for this whole process.

So, to our mind as you would agree there is no competition, right? But from our perspective with all these attributes which are important. And which are built by us as probably differentiators for our business offering. They would probably offer at least some degree of moat or a good degree of moat to our business in the IoT offering.

**Moderator:**

Your next question comes from the line of Nidhesh from Investec.

**Nidhesh:**

So on IoT business I have a question that how are the trends in pricing per tag, etcetera in that business?

**Pragnyat Lalwani:**

Yeah that's a good question, Nidhesh. Yeah, so essentially in the IoT business the tag cost is probably decided by two things. One is what is the form factor and second is obviously the cost of the semiconductor and the cost of the inlay. So what we've seen is essentially, from the year we started three years ago to where we are today. Probably now we have one of the sizable volume consumer in this market and with that volume buying comes price advantage, right? And obviously the volume advantage, price advantage that we get, we also treat it as a tool in our hand to ensure that we do very sharp pricing to the customer that essentially people with lower volumes etcetera are not able to compete or are not viable. So I would say over the years we've seen probably volumes go up the input cost could get more competitive. And as a strategy we want, especially in critical accounts to pass on some benefit of that to the customer because that becomes a competitive edge for us.

So we have not seen major price rationalization probably in the last couple of quarters but definitely going forward as volumes will build up we could see some small delta coming into the price.

**Nidhesh:**

Sure. And then how do you think about the total market size in IoT and let's say, we are growing at 100% right now how should we think growth over let's say next three years perspective? How is the market growing, what is the market size and how do you see your growth?

**Pragnyat Lalwani:**

So, if you see the IoT business, the important part is right now for us I would say whatever revenue is coming in is majorly coming in only from one of our revenue drivers. Okay I would call there are three revenue driving engines for Seshaasai or maybe four revenue driving engines for Seshaasai in IoT. Right now we are only tapped one which is the RFID tag part of the business.

Now I'll just finish on that one. On the RFID tag side of the business especially with the new win that we are having. We hope to continue this run rate at least in the next financial year, on a standalone basis only for that one vertical.

Apart from that, if you see, we did one more round of investment in this quarter, into Alomind Labs, where the products have become very, very mature. So, we are also beginning to work on projects now, which are sizable volumes on data logging for shipment movement, cold chain monitoring, etc. So, that also will be contributing to our revenue.

The third piece on the RFID is essentially, you know, the hardware side of the business, which will play in along with the software stack. And the last piece, is the eSIM and the SIM business. So, just to share with you that in Q3, we began our SIM supplies to the telecom providers. And we are at final stage of our GSMA SAS certification on our site. We finished the audit, we got very positive feedback from the auditors. So, I think we should be, we were hoping to get it before this call. But it'll be probably coming in the next week or two. So, with this certification behind us, the eSIM business also is poised to grow well. It'll take time for it to contribute to the revenue. But definitely in the next financial, it will start contributing to the revenue.

So, you know, we feel on the IoT business, we remain very bullish. And we feel that this rate of growth that we've seen in the past year, we should be able to, next two months also, we see a strong pipeline. We should end this year with very good growth on IoT and continuous growth in the coming years.

**Nitesh:** Sure. That's it for my time. Thank you.

**Moderator:** Your next question comes from the line of Chintan Shah from JM Financial Family Office. Please go ahead.

**Chintan Shah:** Hi, thank you for the opportunity. So, a couple of questions. So, one is on the payment solution side. I mean, if you give a better flavor in terms of outlook for this segment, especially from a next two year perspective, and if we can spread it probably in terms of volumes and realization? So, what I'm trying to get a sense here is basically in terms of our contract negotiations, which only happen annually or once in three years, is the realization decline largely behind us and that should be stable going forward or could we see some more pressure? That's the first question.

**Pragnyat Lalwani:** See, basically, the tender that we have typically are for a two plus one or three year contract as the case may be. So, whenever we have tenders that we've just closed now, they probably be lasting for three years or two years, extendable one more year for the bank at their discretion. So, there we have no concern about the price. The prices are stable at which the tenders are closed. On the other front where we have RFPs, where we have annual pricing contracts with the customers, so I think, with the way the dollar is positioned, and also we're getting inkling of a little bit of tightness on the supplies on the semiconductor side. So, typically, we will also be talking to customers to ensure that we are able to plan very well to ensure that there's no disruption of supply for the customers.

So, probably, there would be depending on how these two factors play out, there will be some impact of that. But overall, we've not seen any drastic price reduction across the board on an

overall weighted average basis. There has been a correction for sure, but it's not been very significant.

We'll have to wait and watch in the quarter that plays out essentially where the dollar ends and also how the semiconductor situation is placed. We should probably decide the pricing for the next financial. Because one thing I would like to state here that for customers today, especially the large banks who deal with us, probably there are four or five factors which are very important for their relationship with any service provider.

Definitely, service quality is one factor which is very important. Price is an important factor. But also factors which are taking precedence now is how are you compliant to various compliances? How secure is the process from a cyber security perspective? Are you a multi-locational player for that customer? Are you able to offer the entire portfolio right from metal card to wearables to PVC cards?

So, to my mind, probably it's a mixed situation here where various attributes of the customer expect from a service provider versus the competitive pricing that he expects from us. So, in that regard, I think customers today see this service offering as a very critical offering for their whole operations. So, we see a little bit of price inelasticity there, if I may say.

But let us see how it plays out in the next quarter. We don't see any significant price reduction from where we close our contracts as of now.

**Chintan Shah:** Got it, understood. So, just one follow-up. For the nine months FY'26, if I just understand, the large part of the decline, I see that is largely volume-driven. Is that a fair understanding?

**Pragnyat Lalwani:** Probably. I'll give you one more aspect just to understand how the payment solution business works. See, in the payment solution business, especially on the cards, our revenue is a mix of three or four factors. One is the base card. Second is the personalization. Third is the kitting that we do to the customers. And, fourth is the service offering that we add to the customer in terms of logistics, etc. So, revenue is a cumulative outcome of various factors playing out across various contracts. But definitely, it goes without saying that if there is a reduction in the revenue, volume is one of the contributors there.

Between Q1, Q2, and Q3, we actually had Q1 revenue at maybe INR149 crores for payment solutions. It has gone to INR179 crores, and now it's at INR198 crores. And I feel this graph will continue to be upwards in Q4 as well.

**Chintan Shah:** Got it, understood. One last question that is on the IoT segment. So, there's one new large retail giant that we have. So, if you can give some more color, basically, what could be the potential from this client? Probably not from a near-term perspective, but say over two, three years. If you can give some indication in terms of what could be the potential size here?

**Pragnyat Lalwani:** So, I think we're just waiting for the allocation from the customer in terms of the volume, which it can come to. But to our mind, it will be our largest account once it comes into our kitty. Maybe once we have more clarity from the customer, we can update you on this offline, or maybe by

the next earnings call, we'll have more clarity. We can give that to you. But it will be definitely a very sizable value contract for us.

**Chintan Shah:** Got it, understood. Thank you so much. That's all from my side.

**Moderator:** The next question comes from the line of Vedanta Agarwal from IIFL Capital. Please go ahead.

**Vedanta Agarwal:** Hi, sir. Thank you for the opportunity. So, I wanted to follow up on the IoT business as well. The revenue has been flat more or less from Q1FY'26. So, if you could just give us some highlights as to what can be a growth driver going forward, from a short-term and from a long-term perspective, and what numbers can you expect going forward?

**Pragnyat Lalwani:** So, from the IoT side, typically, if you see on a Y-o-Y basis, we're almost 100%. If you see Q3 of FY'25, we were around INR19.9 crores. We're at INR38 crores now. So, if you look at the Y-o-Y basis, we've actually grown 100% there, but you're right. We would have liked to grow much better in this quarter compared to the previous quarter.

But one of the predominant reasons for this was the project rollout for our large customers was delayed. So, that's going to be happening probably in the next couple of weeks. And what we feel is that whatever loss of revenue that we've had or opportunity that we've had in the last quarter, should be compensated because end of the financial year is what we're working on.

And we expect Q4 for the IoT business to be also costing a major portion of our IoT business comes from retail. And retail is a little bit seasonal in the sense that they have cycles on which they start manifesting the garments depending on their winter cycles and summer cycles. So, there's a factor which plays out there as well.

But having said that, we expect the following two months to have a good amount of volume coming in from existing and the new content we're talking about. Apart from this, we're also working on with some global partners where we've got a confirmation from customers in Middle East where we've been supplying them tags for their garments to be manufactured in India.

We're also talking to some partners who are nominated agencies for global brands for their fulfillment for them for the tags in India. So, I already explained a little bit of IoT details in the previous question. Maybe that addresses a bit of your query. But in the immediate future, we expect good volumes to be coming in the next two months.

**Vedanta Agarwal:** Okay, sir. Thank you so much for the answer.

**Moderator:** Our next question comes from the line of Rohit Priyadarshi from Mittal Analytics.

**Rohit Priyadarshi:** Thank you for the opportunity, sir. And congratulations on a good set of numbers. So, I'm quite new to the company. So, I would like to ask a few basic questions. Like on the payment solutions, on the banking front, we have 10 out of 12 PSU banks as our customers. So, I just wanted to understand like we are doing credit card, debit card, and cheque book printings for these banks. Is my understanding correct?

**Pragnyat Lalwani:** Yes, go ahead.

**Rohit Priyadarshi:** And sir, on the insurance front...

**Pragnyat Lalwani:** I'm sorry. I'll just clarify here. See, our offerings to public sector banks are about three or four major offerings. One is we offer cheque books to banks, we offer debit and credit card to banks, we also offer welcome kit to banks where we combine the card and the cheque book and send the welcome kit to the end customer.

We also have an inventory order management platform where we offer station collateral fulfillment to the banks. And we also offer QR code, merchant QR code to banks for their payments, etcetera. And we have a logistics management also that we offer to the banks.

For some banks, we also do the statement printing. So, when we say 10 out of 12, which means that these banks are availing at least one of these service offerings that we have. It's not that 10 of the 12 are only cheque books and cards. It could be a mix or match of these services.

**Rohit Priyadarshi:** Understood, sir. And sir, on the insurance front, what exactly are we providing the services in this insurance?

**Pragnyat Lalwani:** Yes. So, I mean, see, we've been in the insurance business offering services for customers for the last 20, 22 years now. So, this whole product offering and our relevance and size of the business has seen, I would say, it's come a complete cycle now. So, today for the life insurance customers, we offer policy printing for the customers, we offer non-policy communication like renewals, reminders, notices, etc. And also, we do a little bit the same for the general insurance companies. For some, we also offer the logistics services. So, this business, obviously, over the years due to digitization has got rationalized. We also offer digital communication to the customers where we send out email statements, some WhatsApp updates, SMS notification, etc. So, depending on the customer's need today for us as a service provider, we offer services within from this bouquet for the customer's needs.

But we still have retained relationship with those customers over the last two decades because these are customers sitting on very large customer base. And any compliance communication that needs to go out has to go out in a physical form. So, we have supports coming, now and then for that compliance communication which needs to go out.

**Rohit Priyadarshi:** Understood, sir. And, sir, when we say we also provide services to the government in the form of tax ID, so are we saying that we do printing of that PAN card or something?

**Pragnyat Lalwani:** Yes. Exactly.

**Rohit Priyadarshi:** Okay. Got it. And, sir, last question would be out of our payment solution, communication segment and IoT segment, which segment would be the more margin lucrative for us?

**Pragnyat Lalwani:** I would say the payment solutions and the IoT solutions are almost similarly placed on margin.

**Rohit Priyadarshi:** Okay. Sure. Thank you so much, sir. That is all from my side. Thank you, sir.

**Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

**Pragnyat Lalwani:** It's been a pleasure interacting with all of you today. We appreciate your continued trust and support.

**Pavan Kumar:** Thank you, everyone, for joining us today. It was lovely interacting with all of you. Thank you.

**Moderator:** Thank you. On behalf of Seshaasai Technologies, that concludes this conference. Thank you for joining us.

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