



“Seshaasai Technologies Limited  
Q4 FY '26 Earnings Conference Call”

May 19, 2026

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**MODERATOR: MS. ASHA GUPTA – EY LLP, INVESTOR RELATIONS**

**Moderator:** Ladies and gentlemen, good day and welcome to the Seshaasai Technologies Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in 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 then zero on your touchtone phone. Please note this conference is being recorded. I now hand the conference call over to Ms. Asha Gupta from EY LLP, Investor Relations. Thank you and over to you.

**Asha Gupta:** Thank you, Steeve. Welcome, everyone, and thanks for joining the Seshaasai Technologies Limited Q4 FY '26 Earnings Call. The results and presentation have already been mailed to you, and you can also view them on our website at [www.seshaasai.com](http://www.seshaasai.com). In case anyone does not have the copy of investor presentation or press release, please do write to us, and we will be happy to share them with you.

To take us through the results today, we have the management of the company represented by Mr. Pragnyat Lalwani, Chairman and Managing Director; Mr. Gautam Jain, Whole-time Director; and Mr. Pavan Kumar, Chief Financial Officer. Mr. Pragnyat will start the call with a brief overview of the company and business update, which will be then followed by Pavan, who will take us through the financial performance for the quarter and full year, and 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 forward-looking statements, 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 SEBI and the subsequent annual report that you can find on our website.

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

**Pragnyat Lalwani:** Thanks, Asha. Good evening, everyone, and thank you for joining us today for the Q4 and full year FY '26 earnings call. I hope all of you have had the opportunity to review our financial results and presentation. So let me quickly discuss the business highlights for the quarter and Financial Year '26, post that Pavan will take you through the financial update.

During the quarter, we reported revenue from operations of INR 404 crore, reflecting a growth of 8.1% sequentially and 9.6% on a Y-o-Y basis. The growth was supported by stronger execution across business verticals, improved throughput, and better contribution from diversified businesses, including communication and fulfilment solutions and IoT segments.

Moving to the full year FY '26 performance, we reported revenue from operations of INR 1,441.1 crores, a drop of 1.5% on Y-o-Y basis. The decline during the year was primarily led by temporary moderation in the Payment Solutions business due to industry-wide factors. However, this was largely offset by the strong growth in our communication and fulfilment solutions business and continued scaling of IoT solutions business and technology-led offerings, enabling us to maintain overall stable performance with healthy margins.

This reflects the increasing resilience of our business model, improved diversification across revenue streams, and a lower dependence on any single vertical.

FY '26 was a landmark year for Seshaasai as the company completed its listing during the year, marking an important milestone in our journey. FY '26 has been a year of transformation and transition for Seshaasai Technologies, where we have made deliberate efforts to diversify the business, strengthen our technology-led capabilities, and build future-ready platforms across our key verticals. During the year, we continued to invest in innovation, automation, premiumization, and new growth platforms, while also strengthening our focus on recurring and technology-driven businesses. This reflects our broader transition towards becoming a solutions-oriented and platform-led organization.

Over the course of the year, we have continued to build on our strong and long-standing customer relationships across banking, BFSI, government, enterprise, retail, logistics, telecom, and technology ecosystems. This deep customer engagement has enabled us to sustain recurring revenues, increase wallet share, cross-sell integrated solutions, and expand into adjacent offerings.

We believe FY '26 should be viewed not only as a year of resilience during a softer industry phase but also as a validation of our diversified and relationship-led business model. At Seshaasai, we do not evaluate our success purely based on revenue for a particular year. We continue to invest in innovation, new products, and technology capabilities that are aligned with evolving customer needs.

Many of the initiatives we are building today may not contribute materially in the short-term but are strategically important in creating future growth opportunities. Across our verticals, we are developing capabilities in advanced payment solutions, IoT-led ecosystems including RFID and traceability, and platform-led communication and fulfilment solutions. These investments are designed to position us strongly for long-term scaling.

A key strength of our business continues to be the high proportion of recurring and annuity-like revenue streams. Across our verticals, around 97% to 98% of our revenue is recurring in nature, driven by ongoing card issuance programs, regulatory and compliance-driven communication requirements, fulfilment engagements, and repeat ordering cycles in RFID and IoT solutions. This provides stability and visibility to our earnings while also allowing us to benefit from new customer additions and project-based opportunities that offer additional growth.

As we look ahead to FY '27, we remain cautiously optimistic while being mindful of global macroeconomic and geopolitical uncertainties, including supply chain disruptions, currency volatility, and broader demand conditions. However, we believe our diversified business model, strong customer relationships, recurring revenue base, and continued investments in future-ready technologies position us well to navigate such challenging environments.

We would like to update that our Navi Mumbai and Kundli facilities have become operational in Q4 of FY '26, while the Nagpur and Bengaluru facilities are still under construction. We would also like to inform that we have filed for six new patents in FY '26 across products and

solutions, taking the total tally to 19 patent applications filed, out of which 5 have been granted to date.

In terms of business segment update:

1. Payment Solutions –

Payment solutions contribute approximately 50% to the total revenue in FY '26. This segment was impacted by broader industry factors, including moderation in issuance volumes from PSU and Private banks, lower renewal card volumes due to lower base year issuance during the COVID-19 period, as well as timing differences in renewal cycles and tighter regulatory and compliance environments for banks and fintechs. However, we have not lost a single customer and added 21 new customers across banks and fintechs, contributing meaningfully to revenue as we continue to strengthen our customer base and market reach initiatives. We continue to see strong trends in premiumization, increasing opportunities in transit ecosystems, and a strengthening pipeline in advanced card products such as metal cards, biometric cards, and other secure chip form factors.

We believe that as banking cycles normalize, we expect gradual improvement in volumes going forward. We were the first Indian card manufacturer to file for our metal card patents in October 2021, as well as the first to receive global payment scheme approvals for our metal cards in March 2023. We would like to share that we have been granted our patent for metal cards in February 2026.

This reflects our continued focus on product innovation, engineering, enhancing our R&D capabilities, and intellectual property creation across the secure payment portfolio. This has led us to have a formidable portfolio of metal card variants, each targeting different customer segments.

In this quarter, we won a multi-year tender from a leading PSU bank, which represents approximately INR 8.7 crores in revenue over the tender period. We would like to update that the domestic payment scheme RFP and global fintech RFP for metal card variants are still under process and evaluation.

2. Communication and Fulfilment Solutions –

Communication and fulfilment solutions contributed 39% of total revenue in FY '26 and recorded a strong Y-o-Y growth of 29%. Over the years, this segment has evolved into a technology-driven integrated solutions platform, combining secure communication, fulfilment digital workflow orchestration, traceability, and logistics integration capabilities.

Backed by our proprietary platforms like RUBIC, eTaTrak, and IOMS, as well as pan-India execution infrastructure, the business is increasingly positioned as a strategic partner for customers, managing large-scale, secure, and time-sensitive communication and fulfilment requirements.

The segment continues to benefit from strong customer relationships, operational scalability, and recurring business opportunities, making it an important contributor to the company's growth, profitability, and cash flow profile.

### 3. IoT Solutions -

IoT solutions contributed 11% of total revenue in FY '26 and witnessed a growth of 45% on Y-o-Y basis. IoT is gaining traction as a long-term growth engine driven by increasing adoption of RFID, growing importance of traceability across supply chains, and rising demand for sensor-based and platform-led ecosystems. We believe our integrated capabilities and strong positioning in this space will enable us to capture these opportunities effectively over time.

Continuing from our earlier quarterly initiatives, we saw momentum build up in the project rolled out for one of the largest Indian retailers across their major fashion brands. Using our integrated approach with technologies such as RFID, Bluetooth, and other sensor-based analytics, we are seeing good traction in projects being undertaken currently to solve real-world problems across a spectrum of industries such as retail, renewable, healthcare, power generation, and also global capability centers (GCCs).

During this quarter, our Bengaluru facility received the GSMA SAS-UP certification for SIM and eSIM manufacturing and personalization, data generation, PKI certificate handling, making the company one of the few global players with these integrated capabilities for eSIMs. I am also happy to share that the SIM card division started contributing materially to revenue in this quarter.

Going forward, growth will be driven by premiumization trends in payments, expansion in IoT and traceability solutions, platform-led fulfilment ecosystems, increasing opportunities in transit and secure identity solutions, as well as scaling of newer technologies and international opportunities.

The Board of Directors has recommended a dividend of INR 2.5 per share, reaffirming our commitment to shareholders.

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

**Pavan Kumar:**

Thank you, Pragnyat sir. Good evening, everyone, and thank you for joining our Q4 and FY '26 earnings call. Let me start with a quick summary of our performance for the quarter and then the full year gone by.

In Q4 FY '26, our total revenue stood at approximately INR 405 crores, up 8.1% quarter-on-quarter and 9.6% year-on-year. This growth was primarily driven by stronger execution across verticals, with strong traction in communication fulfilment, and IoT solutions. EBITDA for the quarter came in at approximately INR 125 crores, with an EBITDA margin of 30.8%, an increase of 330 bps Y-o-Y. EBITDA margin expansion was supported by stronger operating leverage, improved business mix, better cost absorption, procurement efficiencies, and structurally improved margins across operating segments. Our PAT for the quarter stood at approximately

INR 82 crores, with the PAT margin at 20.2%, up 316 bps Y-o-Y. The profitability improvement was also aided by lower finance costs following debt repayment post the IPO, which resulted in improved earnings conversion and stronger bottom-line performance.

In terms of revenue mix across our verticals, payment solutions continue to be the largest vertical which contributed 47.5% of the revenue, followed by communication and fulfilment at approximately 39.8% and IoT solutions at 12.4% in Q4 FY '26.

For the full year FY '26, our total revenue stood at INR 1,441 crores, a slight decline of 1.5% year-on-year. EBITDA came at INR 394 crores with an EBITDA margin of 27.4%, an increase of 204 bps Y-o-Y. Our PAT stood at INR 240 crores with a PAT margin of 16.7%, which is 146 bps Y-o-Y. The overall revenue performance should be considered in the context of a relatively soft demand environment during parts of the year, particularly within the payment card issuance and renewal ecosystem, including moderation in BFSI volume. Despite broadly stable performance on the top line, consolidated profitability improved significantly in FY '26.

The top 10 customers contributed almost 62.8% of our revenue, and more than 96.6% of our revenues came from existing customers, showcasing the stickiness of customer relationships, strong renewal and repeat business characteristics of our business model.

On the balance sheet and cash flow front, we remained well capitalized. As of 31st March 2026, we had cash and cash equivalents of approximately INR 398 crores, including unutilized IPO funds of approximately INR 195 crores.

With respect to the IPO proceeds, utilization remains in line with the stated objects of the issue. During Q4, funds were utilized towards capital expenditure, GCP, and issue expenses amounting to approximately INR 60 crores. Of the total IPO and pre-IPO funds of almost INR 600 crores, we have utilized INR 405 crores as at the end of FY '26 and the balance INR 195 crores is planned to be utilized in subsequent periods.

To summarize, Q4 FY '26 was a quarter of disciplined execution while continuing to invest in growth and technology. Our margins, balance sheet strength, and diversified revenue base provide a solid foundation as we move to the next phase of growth.

Thank you once again for joining us.

With this, I hand it back to the moderator to open the floor for the Q&A session.

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

**Devesh Agarwal:** Good evening, sir, and thank you for the opportunity. Many congratulations on the good performance. My first question is on margin. If we see in the quarter, we have seen gross margins kind of going up by 150 basis points. I thought because a lot of our costs are import dependent, the rupee depreciation would have a negative carry, but that hasn't played out in the fourth quarter. Is that something that we need to worry about getting into Q1?

**Pavan Kumar:**

Hi, Devesh, this is Pavan here. I'll take that question. So yes, our gross margins have improved in Q4 and that's been a consistent trend over the last few quarters. Overall, just to give you a summary of how the margins have improved, if I could give you an example, say, in our top 50% raw material categories that we consume, we've implemented multiple management initiatives, including procurement consolidation, advanced inventory planning, which are aligned to global trade cycles, and vendor payment being made more efficient.

These kinds of sourcing optimization initiatives have caused about 7% to 8% savings at the material consumed level for the full year. So that's the benefit that we've got through the year and in Q4.

Now, specifically for Q4, we see that there's been an impact of adverse foreign exchange movement, while for the materials that we consume in Q4, a large part of that is also procured in early Q4 and towards end of Q3.

Through Q4, one of the benefits that we've seen is that along with the higher sales, which has come in v/s Q3, there's obviously an operating leverage which comes in. So that's basically what has played out, Devesh, in Q4 specifically.

Overall, as we move ahead, while that is on the gross margin side, to take it a step further, while the improvement in gross margins has translated into EBITDA and helped us increase the EBITDA margins as well as the PAT margin, it's actually a function of two, three things. One, as I've explained to you, it's driven by the gross margin improvement itself. The second part is overall reduction in the finance cost in H2 of the year, which has helped us reduce the cost there. And third part is the interest income that we have earned in H2 post IPO funds. I think broadly these four to five factors have helped us increase the overall margins.

**Devesh Agarwal:**

Understood sir. If we see the balance sheet, we see that the working capital intensity of the business has been going up for the last two years. If we look at net working capital days, that has been constantly going up. So, is the working capital intensity increasing, or is it something that's going to reverse in FY '27?

**Pavan Kumar:**

I'll take that, Devesh. While the working capital intensity has, shows as if it has increased maybe over FY '26 and FY '25, we should see it in two ways. One, at the end of the year, when you look at the balance sheet as of 31st of March, the working capital is a function of what all is on the current asset side and on the liability side. So, we've built up our inventories to be able to better navigate through these global challenges in Q1 as well as Q4 of the year. And then the second part is post IPO, we have a good amount of funds which are showing under cash and cash equivalents. So that may probably give a bit of a lopsided picture as the working capital cycles have increased. But more or less, I would say, the key factors there being inventory positions and trade receivables are more or less in line with the business and that's something that we are continuously monitoring and working to improve upon as well.

**Devesh Agarwal:**

Understood sir. One final question on our IoT business. If you can share some details in terms of new client wins and the traction that we are expecting to build up in FY '27 from some of our existing clients?

**Pragnyat Lalwani:** Yes, Devesh, thanks. I'll take that question. See essentially what we have seen in Q4 is that some of the large projects on which we've been working for a while, they've started gaining some momentum and they show good promise for the coming year.

So, in the larger retailers, customers that we're working on, the approach is now to also go across from apparel into other categories, which is to get into, you know, cosmetics, accessories, etc., which are also large volume items, which needs to be brought under the digital transformation ambit.

We're also working on projects wherein we are going to have localization of our inlay manufacturing. Now, especially more so with the thrust from the government side also to reduce import dependence. We're also trying to ensure and see how is it that our local chip bonding manufacturing infrastructure can be utilized to ensure that we add more value to our customers, as well as it will help us probably add value to our own bottom line by doing more inlay manufacturing within the country.

We're also trying to work on Tier 2 retailers. So, what we are now seeing is, since Tier 1 customers have had very good success and the ROI has been demonstrated quite clearly in their RFID initiatives. We are seeing a lot of traction coming in from Tier 2 retailers who would also like to probably start this journey. So that is where we are focusing on some good size Tier 2 retailers on the RFID side.

Also, we've harmonized our technologies between Bluetooth, GPS, and RFID and come up with some unique solutions where we are helping improve the resource visibility and efficiency in warehousing and logistics sectors. So, these are the 4 areas which we feel on the RFID side.

On the SIM side, as we have said, we've already begun revenue, in Q4 of last year. We now feel that the foundation has been set over the last one and one half year in terms of the infrastructure, the certification, and the product stability. We feel the SIM and eSIM business will also be adding to the traction in the IoT business. So, all in all to our mind this vertical looks to really contribute meaningfully to our growth and overall revenue mix.

**Devesh Agarwal:** Right sir. That's helpful. Thank you so much and all the very best.

**Moderator:** The next question comes from the line of Raghav Maheshwari with Kamayakya Wealth Management. Please go ahead.

**Raghav Maheshwari:** Yes. Hi. Thanks for the opportunity, sir. So, sir, I had a bunch of questions. First of all, sir, can you elaborate a bit on eSIM manufacturing, like you have mentioned SIM manufacturing. So, what happens when we talk about eSIM manufacturing?

**Pragnyat Lalwani:** Essentially, how it works is that, when these eSIMs typically are components which go into the circuitry of a device or an equipment or a vehicle, right? So typically, these eSIMs come in form factors which are unlike our regular SIM cards and these eSIMs have to be then made ready for use in the field, where, for example, they could be converted and connected to any mobile network operators in any geography all over the world.

So eSIM infrastructure requires that you are aligned in such a manner that what you produce is globally interoperable in the GSMA universe, right? So, we basically are managing the personalization and putting the embedded top-up layer, which is the profile required as per the device usage on the eSIM.

So, and then also if the customer requires us to probably change the form factor and embed it probably into a form factor which they would want it to be a plug and play into their environment. So, this is what is actually the eSIM is. To give a very small example, where eSIM is working today is in electrical meters. You would have people coming in and taking meter readings every single day, but today the electric meters directly talk to the power distribution company. So, this could actually sit inside the circuitry of a smart meter. There are various use cases of eSIM, but this is just one example of how eSIM operates.

**Raghav Maheshwari:** Right. And have you gained any customers for this? Like, where do we stand on the approval cycle?

**Pragnyat Lalwani:** So, as I said, we've just finished our GSMA SAS audit. We need to have one more process that we complete by July, August as a part of this process. And once we complete that process, then we should be starting to commercialize this. But in the SIM side of the business, we're already working with a leading telecom player to supply SIM cards to them.

**Raghav Maheshwari:** Right, sir. And sir, when we talk about the payment solution segment, we are consistently seeing a decline from FY '24 to FY '25, now FY '26 as well. So, is it because of the new product mix that we are going into, or is it something else?

**Pragnyat Lalwani:** See, if you look at it from the payment solutions business of ours, typically it has two revenue drivers. The major one is the payment card business. So, payment card business typically is driven by maybe, if I may say, four drivers, right? The first one is essentially the renewal cards which banks issue to the existing customers. The second one is new cards that are issued when a new account is opened. The third one is credit cards being sold by banks in line with their credit card issuance policy. And the fourth is, cards going out for transit programs, for fintechs for specific use cases like forex cards, etc.

Now majority of the volume comes in from the renewal card base which is an income base for banks been built over the last couple of decades. So, a major volume comes in is from your renewal card base.

Now in the renewal card base, typically post-COVID, which was March 2020 onwards, we had a lull for a year / a year and a half. So typically, what we've seen is that the renewal cycles have been impacted over the last two years, majorly because one is the COVID impact and also banks have been rationalizing their renewal process in terms of whom to issue a card or not.

So, to our mind, this particular number correction which has happened is something which is an outcome of this factor. And now post-COVID, if you see in FY'21 -'22, FY '22 - 23, there has been a surge in the banking sector in terms of the volumes, etc. So, our understanding is that at least on the renewal side of the business, we expect that the numbers should be better than what they were because of the COVID impact.

Coming to new cards, which are issued by banks on opening of accounts and credit cards. Now here it's a factor of the bank's policy at any point in time in terms of what is their strategy in terms of reaching out and onboarding a new franchise of customers, what is their strategy on risk mitigation in terms of unsecured lending, and how do they see regulatory increase in the risk assigned to the unsecured portfolio of credit cards, etc. So here we are responding to the customer's requirements.

How we also try to maximize this is to go up the value chain by premiumizing and going up the value chain by ensuring that we offer more value-added offerings to customers for the same set of customer base, offer more value-added services such as logistics services to them, offer metal cards to them, etc. And also, we've seen very large traction in the transit program. For example, currently we are working with partners for three state government projects which have got pretty decent volumes of cards being rolled out for the beneficiaries under the state government scheme for free transport to citizens.

We're also working on some projects for metro cards, with more and more metros coming in. So, all in all, our understanding is that the payment card business, the numbers which have come in, we expect this to trend to probably bottom out and from here on we expect a better momentum to be seen for an upward trajectory.

**Raghav Maheshwari:** Understood, sir. And sir, with the SIM card division coming live and the approval cycle going on, and the new plants coming live like you mentioned in the earlier remarks, plus all the new segments that we are exploring, assuming these as the growth levers for FY '27, would you like to give any formal guidance as to where we see from growing from this low base?

**Pragnyat Lalwani:** See, I would say definitely, if you look at the momentum in Q4, we've had very good momentum in Q4, and we see some of the projects that were on the anvil probably moving into fruition in the coming year. However, now considering the geopolitical situation and also the uncertainty, we would like to probably wait until Q1, where we get a better grip of the situation, better visibility, and maybe in a position to give a guidance after Q1. That's our take for now.

**Raghav Maheshwari:** Understood, sir.

**Moderator:** Thank you. The next question comes from the line of Pratik Banthia with Fermi325 Investment Advisers. Please go ahead.

**Pratik Banthia:** Hi. Congratulations on a great set of numbers. Happy to see this strong scale-up in the IoT division as well. So, my question was- regarding over the last 25 years, it seems like every five to seven years, our business tends to make a pivotal shift. So, let's say from cheque book to cards to RFID tags to now eSIM & SIM cards. So, I just wanted to get a sense of what is the underlying guiding theme of our capital allocation strategy, and should we expect the same strategy to continue over the next, let's say, 10 years or so, or would there be some tweaking required?

**Pragnyat Lalwani:** A very good question, Pratik. See, if you look at it from a capital allocation perspective, while we were growing from a part of our payment solutions business to our communication and fulfilment business, and even today from part of our IoT business, right? The capital

infrastructure, the equipment, and the platforms that are needed, especially the tech platforms, are the same.

What typically happens is that every vertical has certain adjacencies and spin-offs, which require focused investments, maybe into technology or maybe into some specific platforms or investments needed for a product. So, I would say, obviously, going forward as we go into more of IoT devices, there'll be deeper investments going into technology.

We will also be having to have resources which will probably focus on technology. So, the theme of the capex investment to my mind would not change drastically, but probably the allocation towards software resources, towards technology contribution of the investment would go up.

And if you would see one thing which is common across the whole theme of the last 25 years, is that we've always gone for businesses which are having recurring revenue, business which need technology, businesses which need to scale, and products which are mandatory or needed for our end customer's functioning.

So, we'll be trying and keep those four or five, probably, mantras in all that we do in every vertical that we go to. We will try and keep those as our guiding posts in our future business expansions and probably as the situation unfolds and the investment demands are there, we will allocate our capital accordingly.

**Pratik Banthia:** All right. Thank you so much. And could you provide utilization for the RFID capacity during the year, as well as the quarter?

**Pragnyat Lalwani:** So overall, during the year, our RFID capacity was hovering around 70%. During the quarter, we had some spike volumes, so I think we were probably closer to around 80%- 85% capacity utilization during the last quarter.

**Pratik Banthia:** Okay. And my last question before I get back in the queue is, can you provide the capacity breakup for SIM as well as eSIM?

**Pragnyat Lalwani:** SIM is a very nascent business for us right now. So, we are probably just around 30% capacity utilization of what the stated capacity is. eSIM, we are yet to start commercial production, which we expect to start once certain integration processes are over, and the final leg of our compliance is done. So probably we will expect eSIM revenues to help us from H2 of this year.

**Pratik Banthia:** Sir, what is the installed capacity for SIM cards?

**Pragnyat Lalwani:** We've got a capacity of about 7 million SIMs a month.

**Pratik Banthia:** Okay. And eSIMs, if you could provide?

**Pragnyat Lalwani:** For eSIMs. See, the eSIM product is not a very standard product like the SIM product, right? The form factor varies on the device. So conceptually, we could easily do about 2 to 2.5 million eSIMs, but the form factor varies, and it could probably be 2 million for one form factor and maybe could end up being 3 million for another form factor. So, we have a range of between 2 to 3 million eSIMs a month.

- Pratik Banthia:** Okay. Thank you so much.
- Moderator:** The next question comes from the line of Surya Narayan with Sunidhi Securities & Finance Limited. Please go ahead.
- Surya Narayan:** So, my question is that in the IoT solutions, what are the new - I mean you said that the improvement in the gross margin is due to the product mix. So compared to last year, if you can detail out what the product mix changes are, number one. And number two is that what are the new sectors, I understood that there are a lot of sectors like the solar sector where the applications are there and apart from that, many other sectors are lying ahead. So, my understanding is that where we are not present, maybe at the moment, what are the new sectors we are targeting going forward?
- Pragnyat Lalwani:** Okay, so there are three parts to your question. The first part is you want to have an idea about the product mix, right? So typically, the product mix change is there for each and every vertical, but conceptually the approach towards the product mix is that we try and work with the customer to ensure that we get greater market share of the premiumization of the products that they do, okay? And also, we try and go up the value chain.
- For example, if we are not offering a logistics service to a customer, whether he is in the payment solutions business or the communication fulfilment solutions business, we try and ensure that we get the end-to-end piece of the entire chain till customer delivery. So that's as to our product mix. Obviously, metal card is a growth engine for us, which is also going to be contributing to the product mix for better margins.
- On the IoT side of the business, to answer your question as to what are the sectors that we are not working with. See, you rightly said we're already working in renewables. Now there, just apart from only giving the tag, our team has been working with some of the large brands to work on reducing their manpower utilization, we've been offering them some automation solutions on to their lines for the solar panel manufacturing, offered them some things to aid their quality control process, etc., which makes the relationship stickier, gets better value in terms of account revenue, and obviously, the product mix goes up the value cycle.
- Now, if you ask me which are the areas which we are not working on today and which show great promise in the future? Just to tell you that grocery and pharmaceuticals are the two themes which are globally picking up pace in the Western world, and typically, as the nature of the way it functions, probably we may lag maybe 12 to 18 months for a rollout in India. But because India is the large pharma outsourcing factory of the world, we are already doing small POCs there.
- But grocery is one very, very huge opportunity, which has already gone live with some large brands in Europe and US, and we haven't tapped those opportunities in India yet. So probably, to answer your question, two large opportunities which we have not worked with, but which are going to be very promising in the future are grocery and pharma.

**Surya Narayan:** In textiles also, sir, the traceability is a factor where there are a lot of opportunities, especially when the EU FTA and the UK FTA will be coming into place. So, are we working towards that in the traceability sector, textile?

**Pragnyat Lalwani:** There's a concept known as European Union Digital Passport, which requires end-to-end traceability for everything that is going to be imported into the European Union. But there are multiple ways to achieve that. You can achieve that using QR codes, you can achieve that using barcodes, and you can also achieve that using RFID. So, we're just kind of talking to large exporters who need these facilities for RFID.

For example, for Walmart, we're already on the Walmart approved vendor list for RFID. So I think the EUDP guidelines may not really mandate RFID, but wherever the opportunity exists for traceability, I think they'll only go for RFID in EUDP will go in only in items which are of high value, which are very critical, especially related to health and safety, so probably it'll be a mixed bag opportunity there between conventional traceability products and RFID.

**Surya Narayan:** Okay. Sir, in terms of global capability of ours on competitiveness. So just to want to understand because most of the products can be adopted by any of the countries. So globally, how much are we competitive compared to leading players, leading countries, if you can give some ballpark figure to understand so that we can also go global.

**Pragnyat Lalwani:** Good question. So, I would say, first we need to understand that the RFID frequencies vary for every country, and obviously, we in India have a certain frequency range within which the products are produced and used.

Now, typically in the RFID ecosystem, what really matters is how much of innovation you are able to do for a specific customer problem-solving or customer use cases, which requires strengths of antenna design, antenna simulation, R&D labs, also requires test benches to test the performance of this in the environment and also then produce it and scale it and do your own semiconductor chip bonding.

So probably this particular process is a science, right? And we've been working on it for the last 2.5 years, seen some good success in solving some specific customer problems for large retailers, where we've domestically innovated and created very cost-effective solutions to meet their traceability needs.

So, to answer your question, from a global perspective, if an opportunity presents itself, probably we have the know-how, the team, resources, and now the understanding of the technology good enough to be able to compete with the best in the world.

It's just a matter of we first trying to focus on the domestic market, getting our act together, getting a few good case studies under our belt, and then we will work with partners to explore the global market.

**Surya Narayan:** Understood, sir. Thank you, sir.

**Moderator:** The next question comes from the line of Zaki Nasser, an Individual Investor. Please go ahead.

**Zaki Nasser:** Sir, congratulations on a pretty stable set of numbers. Sir, going forward, our public issue- was hardly six months back, and we had a certain value proposition for the company. So, do you think that going forward in the current year, that value proposition will play out, sir, with a small lag? Because we came at a certain valuation and maybe the markets- maybe a small lag in the performance coming in or maybe its just the perception that investors have not understood the company well, sir. So, your thoughts on this issue, Thank you.

**Pragnyat Lalwani:** Sir, our thought is that we have always believed in performance, and we believe in growth and we continue to reaffirm our commitment to those two attributes. To my mind, our job is to ensure that we grow, we innovate, we deliver and remain profitable. How the market perceives us is a little bit in our hands in terms of how we communicate, and this is one exercise in that direction.

Now how the market evaluates us, is a matter of which is probably left to the market, but at our end we are ensuring that whatever our story, whatever our business focus, which was there prior to the IPO, during the IPO, still remains. There's absolutely no loss of focus or loss of business intensity from our side.

And probably, as we said earlier, that many times, you're facing some structural headwinds because of factors beyond our control, which are more to do with regulatory in nature, which are also to do with the nature of the consumption pattern.

We feel that those are behind us now, and also with the IoT engine growing well, for example, last year in the IoT business we grew close to about 48%. We expect to at least match that, if not better, that number in the coming year. And also, we see some stability in our communication and fulfilment business. There could be a marginal decline, but overall, we are fine with that.

And as I said earlier, on the metal card side also, we have good visibility this year in terms of growing that business as well as the base payment card business. So, from our perspective, we still carry the same value proposition that we carried prior to the IPO, along with the IPO. And we just hope that the environment allows us to amply demonstrate our intent and execute and deliver on that.

**Zaki Nasser:** So, would you say that, I mean of course the funds implementation on the IPO will take a lag of a couple of quarters. So, do you think the full potential of Seshaasai will pan out in the current year, sir?

**Pragnyat Lalwani:** I think whenever we operate, sir, we try to operate at our full potential. As I said earlier also, see, we need to understand the nature of our industry and the nature of our products. See, we are in industry which is probably a product-led industry, also having the pseudo nature of a services industry, right?

Quite a lot of our demand is generated by our end customers, whose demand is also generated based, as we explained earlier, on certain factors, which are driven by their strategies, driven by the regulator, driven by the market. So, there we are probably working on a back-to-back business model basis, where however customers strategize their business demand.

One thing I can assure you is that at Seshaasai, when a customer demands and customer needs us to scale, when customer needs us to deliver, when customer needs us to ensure we innovate, we are there, right? From a business side, we have not essentially lost any major account. We ensure that our shares in those accounts remains the same.

We've also ensured that, for example, we've added 21 new accounts in the payment business this year. We've added close to 65 new customers in the IoT business. We've added close to eight customers in the CFS business. So, from our perspective, the energy and the zeal are there to grow.

Probably some of it is definitely a factor of how our enterprise customers themselves generate demand. But I can assure you that from our side, in any given year, we are here to perform to our full potential. We should just wait for the circumstances to allow us to do that.

**Zaki Nasser:** Thank you sir. Best wishes.

**Moderator:** The next question comes from the line of Yashwant Shubham with ICICI. Please go ahead.

**Yashwant Shubham:** Yes. So, I just wanted to ask on the international front, like how is the expansion plan going on in current the war situation and also if you have any setup, any personalization bureau in any country? And one last question on the revenue front, like what is the portion of international revenue in FY '26 or Q4?

**Pragnyat Lalwani:** See, as part of our strategy, at least for FY '26, we've been working on some international opportunities where we are working with partners in those countries. And we strengthen our partners and work on a back-to-back basis with them on the local opportunities on which they've been working.

In this year, we will be deepening our focus on international opportunities, especially on some of our niche products, both in IoT and the Payment Solutions business. For this current year, we do not have any plans to open a personalization bureau in the overseas market.

**Pavan Kumar:** So, we do not have significant export revenue currently. However, we're working on some of our products and evolving the portfolios on that. Revenue from exports has been about INR 3 crores in FY '26.

**Yashwant Shubham:** Okay. And last question, if you have any contracts or any agreements under discussion on the international front currently going on?

**Pragnyat Lalwani:** As I said in my opening remarks, that there are some large overseas fintech players who have shortlisted us in their global RFP. So, there are opportunities on which we are working right now. But they are still at the stage of evaluation. So, we do not have revenue visibility as of now on that. But it's been a process through which we have gone through for almost about the last 4 to 5 months, and we expect some positive outcomes from that.

**Yashwant Shubham:** Yes. Thank you, sir.

- Moderator:** Thank you. The next question comes from the line of Vedant Agarwal with IIFL Capital. Please go ahead.
- Vedant Agarwal:** Thank you for the opportunity. First of all, it's a great set of numbers. I wanted to ask that what are the type of guidance that you're building in for FY '27, if you could share the Y-o-Y growth for all the three business segments? And one more question that what sort of capex can we expect going forward?
- Pavan Kumar:** Vedant, at this point in time, it's difficult to give guidance for FY '27, considering the macroeconomic environment, etc. We'll refrain from doing that and see how things go and then probably revisit this at the end of Q1. On the capex side, we have a plan of investing close to about INR 160 crores to INR 200-odd crores through the year across Payment Solutions and IoT business verticals, as well as overall modernization, of which some funds would come in from the IPO fund.
- Vedant Agarwal:** Okay sir. Thank you so much. That answers my question.
- Moderator:** Thank you. The next question comes from the line of Maitri Shah with Sapphire Capital. Please go ahead.
- Maitri Shah:** Thank you for this opportunity. Just one question. So once our IoT solution kind of scales up with SIM and eSIMs going forward for the next year, how do you see the proportion of the business kind of changing that the kind of business mix is changing, which is helping out with the margins?
- Do you expect the IoT solution to start contributing close to 20% of the overall revenue? And how do you see that kind of scaling up and then kind of like effect on margins growing for the next 1 to 2 years?
- Pragnyat Lalwani:** We've grown in the IoT business pretty strongly over the last 2 years. And as I said, this year, the IoT business grew, I think, 47% Y-o-Y between FY '25 to FY '26. So, the current business outlook that we have for FY '27 on the IoT business- we expect that numbers should be definitely better than what this year was. We should be definitely growing upward of 47% in the IoT business.
- And obviously, if we continue to grow at that brisk pace, the overall contribution of IoT to revenue will proportionately increase as it has been doing over the last few years. And as we see the IoT business, the nature of the business as it is, it would contribute more meaningfully towards the overall margins.
- Maitri Shah:** Any quantification on how you see the margins scaling up over the next year, 1.5 years? Any near-term guidance on the margins you have with the SIM and the eSIM coming in and this business kind of contributing more?
- Pavan Kumar:** Yes. So on the margin side as well, while we've got a good set of numbers for FY '26, we'd want to probably wait and see how the situation evolves in terms of foreign exchange currency as well as input prices across materials, which are rising, and see how the situation evolves to get

a better sense of the numbers for the full year. But as Mr. Pragnyat said, as the product mix moves with IoT and eSIM and other solutions, we definitely expect a good set of numbers.

**Maitri Shah:** Yes. That's it from my side. Thank you. All the best.

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

**Chintan Shah:** Hi. Thank you for the opportunity. So, I had three questions. So first one is, i need more clarification on this patent that we have secured for metal cards. So just wanted to know, does this sort of grant any exclusivity to us- that cards can be manufactured only by us and not peers? Or is this something else?

**Pragnyat Lalwani:** How the patent regime works, Chintan, is that you file your patent for some innovation that you've done and some novelty that you've achieved in producing that product, right? So as long as we are producing that product using that patent, you'll obviously be producing in absolutely trouble-free with that patent.

While a person has a patent who wants to use the product or manufacturing in a certain way, it does not refrain anybody else if the other person has another novelty or innovation to produce his product, right? So that's how the patenting regime works that if there are multiple people who've got their patents granted for the way they produce their product, they can continue to produce the product, provided they comply with the process that they define in the patent.

**Chintan Shah:** Got it. Understood. So just one more follow-up here. What would be the mix of, let's say, metal cards probably in terms of value for FY '26? And with this patent now in place, does it mean that from here on, we could have more discussions with clients and probably we could see a meaningfully higher growth versus in the past?

**Pragnyat Lalwani:** Chintan, I've got this question from a couple of people. I don't know where this confusion is getting created in the ecosystem. I'll just try to clarify this. We have filed for a patent in October 2021, okay? So, when you have a novelty and you file for it, you are protected from the day you file it.

So, there's never a case that you produce a product and then you- get a patent granted and then you can go out to sell. We've been selling for the last 3 years a product which has been protected by our own IP and our own novelty and innovation, right? It's just that the process takes time to get granted.

So, from a business perspective, there never was any difference in the way we are conducting ourselves or the way we are offering the product to customers all along protected and we remain protected. So, I don't think it was any big enabler. It becomes, I would say, a disabler, but it becomes a big enabler now, now that it is granted and then we are in a better shape to ensure that what we're using is not transgressed or violated by anybody else, yes.

**Chintan Shah:** Got it. Understood. That's very clear. And if you could call out sort of the mix in our payment solution business, the metal cards mix?

- Pragnyat Lalwani:** Yes. I would say right now, the metal card overall in our payment solution business contributes close to about 4% in the payment.
- Chintan Shah:** Okay.
- Pragnyat Lalwani:** And we see that hopefully to improve in the coming year.
- Chintan Shah:** Got it. Understood. And secondly, on the RFID side, so we were in the process of starting to monetize our software aspect as well. So just wanted to know from your side if there's any update on it? And are we seeing any traction with our customers?
- Pragnyat Lalwani:** We've done some interesting projects on the IoT side. For example, we have done a project with a large government power-generating company where we rolled out our software using Bluetooth and RFID for handling assets on a 10-square-kilometer large plant which is under construction, where our software is integrated both in the handheld devices and on the cloud.
- We've taken a very calibrated approach here where we are working and going with specific use cases. There are, I think, a couple of them which have been rolled out now and the performance has been very stable. Now with that behind us, we will be probably focusing on larger opportunities for rollouts into larger ecosystem.
- Chintan Shah:** Got it. Understood. That's good to hear. And just the last question from my side. Are we sort of having any plans to do some backward integration into chips for the payment solution business or?
- Pragnyat Lalwani:** I think, Chintan, we'll probably park that question for some time. Once we make some good progress on that, we'll probably share that in due course.
- Chintan Shah:** Okay. Okay, fine. I got it. Understood. Thank you so much for answering all the questions.
- Moderator:** The next question is a follow-up question. It's from the line of Pratik Banthia. Please go ahead.
- Pratik Banthia:** Yes, hi. I just wanted to ask- you stated about doing inlay manufacturing in-house probably in the future. So, what kind of margin impact does backward integration bring in? And any aspirational timeline of when you would want to start doing inlay manufacturing?
- Pragnyat Lalwani:** It's a good question, Pratik. See, I'll tell you, we already have our equipment for inlay manufacturing for the last 2.5 years. Now this is a very sophisticated and intricate process because we are handling very nano wafers and putting them onto RFID antennas. We also as a part of the IPO process, scaled up our manufacturing and now we have 3 plants which can do inlay manufacturing.
- In the current situation, especially when we see the supply chain to be constrained, challenges to come in, in terms of the supply costs, pricing volatility due to the currency fluctuation, we feel this is going to be a very strategic tool for us to increase our market share, to increase our profitability, and also to make a contribution to the nation in terms of reducing import dependence.

We are already working on our own RFID inlays for the solar market, and we also are working on some other products which are very innovative in cosmetics and healthcare. So, the local inlay manufacturing has a very bright future. Definitely, when we buy the inlay from a third party versus when you make the inlay yourself, it will have better margins. Probably we will need to reach a little more scale, by which time we will have a meaningful contribution of it towards the bottom line going forward.

- Pratik Banthia:** Yes, I just heard I need a little more scale for starting inlay manufacturing, is that right?
- Pragnyat Lalwani:** Yes, I just said that we've kind of now slowly been scaling up the inlay manufacturing. So, once we start to scale, then it will contribute more meaningfully towards our bottom line in terms of saving costs.
- Pratik Banthia:** Okay. Thanks for that answer. Thank you.
- Moderator:** Thank you. The next follow-up question comes from Surya Narayan. Please go ahead with the question.
- Surya Narayan:** Yes. So just to understand the margin improvement likely from here onwards due to backward integration. So, what kind of margin increment possible for FY '27 and '28?
- Pragnyat Lalwani:** As we said, due to the current geopolitical situation, the macroeconomic factors, the currency fluctuation, the challenges that every business is facing in terms of supply times, cost, etc., we probably would not want to give any guidance at this stage. We'll travel some more distance and have better visibility on how this whole crisis is playing out, then we will set up into guidance.
- Surya Narayan:** Okay. And sir, in the payment solution business, what is the current market share in the banking industry we are having and what kind of vision we carry for FY '30?
- Pragnyat Lalwani:** Basically, the market share data which was last published was for FY '25 by the leading industry analysts, and there we had a market share of 31.6% of the payment cards market in India. Now, as we said for FY '30, our approach has been constantly to ensure that we are relevant to the customer's evolving needs. So, we are focusing on premiumization, we're focusing on metal cards. We also have our cards certified by payment schemes for biometric cards.
- We see sustainability being a very important aspect for banks, where they would like to ensure that their carbon footprint is reduced, and they have their own sustainability goals. So, we're also working on sustainable cards, both using recycled PVC as well as for wooden cards.
- And obviously, as the new generation comes in, there are new payment form factors coming in. We've done some innovation around feature phone automation, using technologies for some of the large public sector banks which we cannot reveal under NDA.
- So, our approach has been to always keep innovating as to what are the evolving needs of the customer and the customer's customer and remain relevant. So, you can be rest assured that whatever is the payment landscape by 2030, Seshaasai would be a sizeable value contributor in that ecosystem.

- Surya Narayan:** In the card business, what is the current percentage of non-BFSI business we are having?
- Pragnyat Lalwani:** Basically, the non-BFSI customers are customers who work as system integrators for large transit projects, some of them who work on forex cards, gift cards, etc. So probably the non-BFSI in the payment card business is close to about more or less 4% of the total payment card business.
- Surya Narayan:** Okay. So, there are a lot of other programs of the government - I mean, many social welfare programs. So are we also interested to look at those spaces, considering the challenges from the government side, I mean, in terms of, let's say, working capital issues. So are we interested to have those areas in our portfolio?
- Pragnyat Lalwani:** Good question. I'll break it down into three parts. See, one is the banks issue Mudra cards, the banks issue Kisan Credit Cards, and the banks also issues financial inclusion cards. So that obviously, we do it as a service provider aligned to a particular bank who is conducting that program for the respective government agency. So, we do that as mandated by our banking customers.
- On the second side, we also work on projects where, for example, there's a free transport offered to a certain entitled category in a state, okay? It could also be for students, it could be for senior citizens, it could be for veterans of the armed forces, it could be for women.
- They are the system integrators, and we work back-to-back where we give them the cards, which have the offline wallets on them, and the wallets are structured in such a manner that the discounting of the beneficiary is reflected under the wallet logic built into the card.
- So, we're working on three state government projects, which are for beneficiaries for transport, probably under announcement which have been done as part of the government's manifesto.
- And the third aspect, which we are seeing some interest now, we are working on some pilot projects where certain state governments are evaluating working on a single card platform across multiple benefits that they're giving. It's just at a conceptual stage now. But as it evolves, we would like to play a role there as well.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference call over to the management for closing comments.
- Pragnyat Lalwani:** It has been a pleasure interacting with you all today. We appreciate your continued trust and support. Thank you.
- Pavan Kumar:** Thank you once again everyone for joining us today. It was lovely interacting with all of you. Thank you so much.
- Moderator:** Thank you. On behalf of Seshaasai Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

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