Date: **19th November, 2026**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Scrip Code: 517214

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai – 400051
Scrip Code: DIGISPICE

Sub.: **Transcript of the Investors/Analysts Conference Call held on 13th November, 2026**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the transcript of the Investors/ Analyst Call held on 13th November, 2026 with senior management team. The transcript will also be available on the website of the Company at: https://investorrelations.digispice.com/information.php?page=transcripts.

You are requested to kindly take the above on record.

Thanking you

Yours faithfully,
For **DiGiSPICE Technologies Limited**



(Pankaj Arora)
Whole-time Director & Company Secretary
and Compliance Officer

“DiGiSPICE Technologies Limited

Q2 & H1 FY '27 Earnings Conference Call”

November 13, 2026

MANAGEMENT: **MR. DILIP MODI – CHAIRMAN – DIGISPICE TECHNOLOGIES LIMITED**
MR. SUNIL KAPOOR – WHOLE-TIME DIRECTOR – SPICE MONEY LIMITED
MS. AMIT GUPTA – CHIEF FINANCIAL OFFICER – SPICE MONEY LIMITED
MS. AASTHA GARG – HEAD, INVESTOR RELATIONS – SPICE MONEY LIMITED

MODERATOR: **MS. HASHIKA MUTREJA – ADFACTORS PR**

DiGiSPICE Technologies Limited
Q2 & H1 FY '27 Earnings Conference Call
November 13, 2026

Hashika Mutreja: Good afternoon, everyone, and a very warm welcome to the Earning Zoom webinar of DiGiSPICE Technologies Limited for Q2 and H1 FY '27.

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

Before we begin, I would like to state that certain statements made in today's discussion may be forward-looking in nature. The actual result may vary as they are dependent on several external factors. A statement in this regard has also been included in the result presentation sent to you earlier.

We will commence the call with the management taking you through the operational and financial performance for the period under review, following which we can have an interactive Q&A session.

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

Dilip Modi: Thank you, Harshika. Good afternoon, friends. Very glad to be on this call with all of you. Thank you once again, for taking the time out to join us on this platform. This is something that we do every quarter where we get this opportunity to share with you the key highlights of this company, where we are, where we are going, as well as get an opportunity to interact with all of you through our Q&A session.

So, let me start with the headline perspective of what we are building and why we are building it. So, friends, at Spice Money, we are building a full financial service to drive economic progress of micro-entrepreneurs, merchants, and consumers living in small towns of Bharat.

Our strategy to do this has been getting built over years, where fundamentally we are building an agent-led distribution model. To date, we have onboarded over 1.7 million micro entrepreneurs as financial service agents on our digital platform. We refer to them as Spice Money Adhikaris. They cover over 2.7 lakh small towns across Bharat and serve nearly 2.2 crore, nearly 22 million customers a month with basic banking and financial services.

Through this platform, our goal is to be able to reach out to small consumers and merchants who are yet to come into the formal financial fold in the banking space. Many of them are new to UPI as well. So, very soon we are also looking to launch our own Spice Money UPI product for consumers living in Bharat who are cash-first and using our prepaid instrument wallet that we have. Our goal is to digitize cash-first markets.

Recently in October, we have also received an authorization from the honorable regulator for the Physical Aggregator-Physical License, which allows us to launch our third platform, Spice Money Biz, which is meant for small merchants operating in Bharat. Both on the consumer side and on the merchant side, we see both new-to-UPI consumers and new-to-UPI merchants coming on board through these two new platforms we are going to be launching on top, of our agent platform.

Today in our country, over 67%, close to 67% of merchants can accept money digitally. So, there is still close to 33% merchants that are not today positioned to accept money digitally using UPI. On the consumer side, close to 52% of consumers now are able to pay using UPI. So, there is still close to 48% consumers who are still looking to come onto the UPI platform.

So, there is still a significant headroom for new-to-UPI users, both on consumers and merchants, and majority of them are in Tier 3, Tier 4, Tier 5 Bharat. And that is where we have built our agent platform being used by over 1.7 million micro-entrepreneurs operating as financial service agents on this platform in Bharat. And therefore using them, our goal is to bring on board new-to-UPI consumers and merchants through our two new platforms.

On top of all these three platforms that we are building on the agent side, consumer side, and merchant side, our goal is to build a lending business. We have already started building on the lending side, and we will take you through some of our numbers where we have been lending to our agents using the transaction data that they have generated on our platform.

Here, our focus is to create tailored credit offerings which are specifically designed for micro-entrepreneurs operating in Bharat. A big reason of why they are excluded from the formal financial fold is because there is not enough access to data or collateral or even reach to many of these micro-entrepreneurs, merchants, and consumers. And therefore, our goal as a fintech business is to use our agent network in small towns to be able to bring new-to-UPI, new-to-credit consumers and merchants onto our platform and drive a full financial services play for them.

Given this vision, let me take you to the next slide where we can share with you some of our key highlights, both on the operating side, the product side, as well as the financial side, before we get into details.

So, to date, as of the end of Q2 of this financial year, we have onboarded approximately 17.25 lakh agents on our digital platform, operating across 2.71 lakh small towns, serving close to 2.2 crore customers every month. We are a 1,000-member team, majority of which are both in tech product as well as on the field working very closely with the agents.

On the product side, we have called out some of our key products. Aadhaar-enabled payment system cash withdrawal, which is one of our core products, we have closed the quarter at close to INR 13,571 crores. In this segment, we have a leading market share of close to 18.45% and we have increased our market share by close to 52 bps in this quarter compared to the previous quarter.

A very new product that we have recently launched, and you will see it in the graph, is UPI Cashpoint. So far our agents have been using the Aadhaar stack to enable customers to authenticate themselves using biometric and face and withdraw cash at our agent point. Last year at the Global Fintech Festival, we alongside with the regulator and the other stakeholders launched a product called UPI Cashpoint.

So, as we see more and more consumers coming on to UPI in small towns as well, one of the things that we have been one of the first networks to enable is to allow our agents to use UPI to enable customers to withdraw cash. So, now using any UPI app, a consumer can come to our agent point and withdraw cash. This is a product that we are very, very excited about, and we have already in a very short period of time started seeing good traction in this. We have closed Q2 at close to INR 900 crores, which is over 3x growth quarter-on-quarter, and we will talk to you about these numbers in more detail.

On our B2B side, we have onboarded close to 87 enterprise partners. These are mainly NBFCs and MFIs for whom we enable last mile collections. So, our agents double up as collection agents, which allow them to enable NBFCs and MFIs to be able to deposit cash close to where they collect.

In this, BBPS, which is Bharat Bill Payment System, is the platform that we are looking to scale. We work both on BBPS and the CMS side, but our focus is more on BBPS. Here we have closed Q2 at close to INR 1,700 crores in GTV, which is a 12.6% quarter-on-quarter growth.

Our network of agents is also used to open accounts as well as disburse credit. Lifetime to date, through our network for our partner banks, we have opened close to 18.9 lakh accounts, which are again new-to-bank customers, which can come to our agent point to open accounts so that they can again go digital. And this quarter, we have disbursed close to INR 252 crores in credit, which is a 27% growth quarter-on-quarter.

All of this has translated into nearly INR 118.6 crores in revenues for our company, which is a 10% quarter-on-quarter growth, nearly INR 52 crores in gross margin, INR 13.3 crores in EBIT,

and close to INR 9.5 crores in PAT for our continuing business. And corresponding to this, we see metrics of close to 13% on ROCE, about a 33.7% of ROI A nd we are an asset-light business.

For us, the key is the 22 million, the 2.2 crore customers who transact on our platform every month, being able to work with them to be able to enable more financial products for them and bring them into our formal financial fold. We will talk through these numbers in more detail, but let me move to the next slide and share with you some key updates from this quarter.

So, one big corporate action that we have been working on is to make DiGiSPICE into a pure, fintech listco. So, we have been going through a process with NCLT where Spice Money, which is the material subsidiary of DiGiSPICE Technologies, is on the verge of being merged into DiGiSPICE, wherein DiGiSPICE Technologies will become Spice Money, a pure-play listed fintech. So, all the numbers that then you see going forward will be purely just of SPICE money and no other aspect, which in any case now the balance sheets and the P&L that you see are fairly cleaned up. In July, we have got the shareholders' approval for this merger. The second motion petition was filed on July 24, 2026, and the next date of hearing is scheduled for later this month.

On the business side, as I said, we have recently received the authorization to operate the Physical Aggregator-Physical license from the honorable regulator, and this allows us to enter into a very exciting space of bringing new-to-UPI merchants in small towns onto the UPI platform.

Credit, which is our mainstay business that we are going to look at building on, we have already started seeing good economics emerge here. We have already broken even on this business, and we are bringing in more and more partners onto our platform to be able to offer them access to small businesses as borrowers using our platform.

So, our whole focus is to keep strengthening the foundation by bringing in more products and making sure we can build products for end consumers and eventually bring consumers and merchants also onto our platform.

Let me also take you through our geographic footprint just to give you a sense as to how large our agent network at Spice Money is. So, on the left-hand side, you can see the graph of Bharat, where effectively, what we have indicated through dots is one dot representing 200 transacting Spice Money agents or Spice Money Adhikaris. As of the end of September, this gives you a sense of the transacting agent base, which means that doing at least one transaction in the month of September. So, wherever you can see lots of dots in a state, that indicates dense coverage. Nearly 12 states we see good dense coverage where we have been able to penetrate very close to our households with respect to our Spice Money Adhikaris.

So, our goal going forward is to make sure that wherever we have dense coverage, we drive more and more product adoption, whether it is credit, accounts, UPI. And wherever we have sporadic coverage, which you can see more in the west and south, our goal is to expand our agent base. So, we are looking to grow both in terms of number of agents as well as products per agent.

On the top right-hand side, you can see on the agent network penetration of the over 17 lakh agents that I spoke about, the split you can see is majority of them are in the north and east region, which is a reflection on the left in terms of the transacting base as well. One key metric that I would like to highlight, that out of the 17.25 lakh agents that we have onboarded on our platform, over 14.4 lakh of them operate in Tier 4, Tier 5, and Tier 6 small towns. These are areas where we as a country have to bring in more people onto digital finance platforms, onto UPI, and drive credit for them, drive investment opportunities, formal saving opportunities. This is Tier 4, Tier 5, Tier 6 Bharat, which are less than 20,000 population centers, and this is where majority of our adhikari network is sitting.

So, with that, I would like to hand over to Aastha, who will walk us through in more detail on some of the key product metrics, and I will see you later at the Q&A. Thank you so much. Aastha, over to you.

Aastha Garg: Thank you, Dilip. Good afternoon, everyone.

So, now building on the strategic update that Dilip just shared with us, I would now walk you through some of the key business updates for the quarter gone by, starting with the payments business. In the AEPS cash withdrawal business that you can see on the top left side, we can see that the AEPS Off-us office cash withdrawal industry has gone down in a quarter-on-quarter comparison if we see the numbers as against the previous quarters as well as since the last year. But at Spice Money, we have tried and grown our market share in the last quarter as compared to the previous quarter and also held our market share as compared to the previous year same quarter.

So, this is where we have been working and focusing on, like Dilip mentioned, we are focusing on expanding our geographic footprint and we are trying to reach out in towns where our coverage is a little sporadic right now so that our market share in AEPS cash withdrawal keeps on growing. This is one of the area that we are targeting, that our market share grows beyond 20% in upcoming quarters.

And for driving this business, one of the key things that we drive on our platform is the growth of subscription packs, the people who subscribe to our subscription packs to do this business with us. If you see on the subscription pack bucket in the middle, we have sold close to 1.36 lakh packs in this quarter, which is a good growth from the previous quarters that we

have seen in the chart. And this is one of the key drivers for recurring revenue as well as user stickiness on our platform.

Like Dilip mentioned, on the newer products which involves the UPI Cashpoint product, as more and more users are coming on UPI, we can see that this product got launched in the month of March of Financial Year '26, and in the last six months this product for us has now reached INR 908 crores of GTV for the Q2 that we are ending right now, and that is a 3.3x growth that we have seen from the previous quarter. So, this is where we are targeting to get exponential growth in the coming quarters as well as the product adoption matures and people start using UPI in the small towns of India.

Also, like Dilip mentioned, that in the last year this UPI Cashpoint product got unveiled at the GFF. Similarly, in this financial year, we, with the regulator, were able to launch the new AEPS third-party cash deposit product in this space as well in the GFF of FY '26 and this is the product that is supposed to formally go live by end of Q3 or the start of Q4.and this will be one of the major products that we will try and drive growth in the payment segment in the coming quarters as well. These agents who help us in the withdrawal of cash for the customers who come to their shops in the payment space also help these customers to collect their EMIs as well as pay their bills where our collection business comes in.

Now moving to the next slide, if we zoom into the collections business, so we have been talking about how the traditional corporate CMS business is getting price sensitive as more and more entities are entering this space and our focus here in the collection segment has been moving this business towards a more BBPS-led digital collections so that customers can directly come on the platform and pay their bills rather than a traditional corporate CMS model where the agents are helping collect cash on the ground.

So, if you look at the quarter-on-quarter numbers for the growth in this business segment, on the overall collections where we have grown 2.5% quarter-on-quarter, in the BBPS segment we have seen a 12.6% growth and in the year-on-year numbers also, in the BBPS segment we have been able to drive a 17.3% growth. So, this is helping us expand the total share of GTV that is coming from BBPS in the collection space from almost 11% in the Q2 of Financial Year '26 to almost 16% in the Q2 of Financial Year '27.

So, this is the bucket that we are focused to grow and if you look at the client funnel as well, that is sitting and helping us drive this business. We can see that we have close to almost 87 partners, enterprise partners, for whom we are enabling collections on ground. And this is the bucket that we are trying to move towards the BBPS agent mode of collection. And our goal will remain that the 28% of the pie that is today sitting in CMS is how fast can we move this pie towards the BBPS collections.

So, after talking about collections, let's move to the next slide, which is the high margin growth driver for us, which is the financial product distribution business. If you see in this business, this is the business where the physical footprint of Adhikaris that we have built across Bharat, we use these Adhikaris to sell the high margin financial products where we started the journey by selling CASA for the partner banks that we are working with.

So, if you see till date, we have sold close to 18.9 lakh accounts till date on which at a recurring basis we are able to earn a float income of close to 50 lakhs a quarter. So, here, our target will remain to sell quality accounts for the partner banks that we are working with, so that we drive good quality accounts in Bharat.

And if we look at the Grahak loans that we have disbursed in the last quarter, this business has also seen growth for us, where we have disbursed close to INR 223.5 crores of loans, which is a 33% growth quarter-on-quarter as well as a 40% growth year-on-year. Here, what we have done is we have launched a couple of new products in the Grahak Loan segment in the last quarter which is personal loans.

And on the back of this personal loans, we have multiple lenders that we are doing this personal loan category with. And was a launch in the last quarter, and we are trying to scale this product in the coming quarter so that we can see the growth in the disbursements from this product as well in the coming quarters.

And what next we are trying to build in the overall financial product distribution pie is the savings and investment products so that we can overall increase the cross-sell that we are doing through our Adhikari base that we have built across multiple products that we can stitch in that pie.

Now, let's move to the next slide, which talks more about the credit business, which is the fastest growing engine for us, and which is the major growth driver that we are trying to grow in the coming quarters and years as well. This is the space where we are giving credit in terms of two segments.

One, where we are giving credit to our own Adhikaris, and this credit we are giving to our own Adhikaris basis the real-time transaction data of them, of their transactions on our platform. And here we are focusing on how we can scale this product on the basis of increasing the take-up rates as well as approval rates that is there on this product, as well as driving a stable portfolio quality and a tight risk control.

We have kept our NPS to a very low, as low as of 2.5% on the disbursementstill date, and that is helping us drive growth in the numbers of Adhikari product. So, if you see the disbursements on the Adhikari loans, we are overall at a run rate of nearly INR 28 crores of Adhikari loan disbursements for a quarter. And if you look at the trend of this as a year, we

are nearly close to doing a INR 110 crores of Adhikaris loan disbursements for the year at that trend and from the last financial year, where we delivered INR 65 crores of disbursement in FY '26, this is nearly a 2x growth that we are targeting in this business for this year, at the current run rate as well.

On the Vyapaar Loan segment, which is a newer segment for us, we launched it in the middle of the last year. Here in the last quarter, our focus has been to strengthen the supply. We have added a couple of more lenders in the Quarter 2, and we are also trying to improvise the product that we have for these lenders. And we are working a lot on the product journey so that when we come in the next quarters, we are able to drive growth in the overall Vyapaari lending as well. By the end of next quarter or the start of Quarter 4, we are also targeting to launch a micro LAP product in this space.

So, like overall Dilip mentioned, if we see our focus from business point of view will remain on maximizing the network yield for the network that we have already built, accelerate through the high margin cross sell in the financial product distribution space, and then overall build accessible tailor made credit products for Bharat.

And with that, now, I think I will hand over to Amit for taking us through the financial highlights.

Amit Gupta: Thank you, Aastha, and good afternoon, everyone. Just to take you through the financial highlights for the quarter, we ended up the quarter at 9.5 from the continued business, which is up from INR 9 crores, giving us a 5% increment over quarter-to-quarter. This is on back of the higher margin that we have got of INR 3.81 crores in Q2 FY '27. As Aastha was mentioning, our market share has gone up from 17.93% to 18.45%. That has helped in growing our GM for this quarter.

Similarly, our costs have gone up by 11% to INR 4.21 crores. The basic reason for the higher cost is, one, we have had an increment cycle coming in July that contributed to almost like INR 2.25 crores in this quarter from cost standpoint. Plus there was a one-time reversal of INR 60 lakhs that came in last quarter because of which you see a lesser cost in the last quarter which is not there this time. Plus we have built a provision of almost like INR 85 lakhs for one of the exposures that we had and we will talk about later. That is one-off provisions that we have made in this quarter.

In terms of depreciation, that has helped us in this quarter by INR 80 lakhs. The reason for the positive side on the depreciation was that there was an accelerated depreciation last quarter which kind of helped us in the cost this time. So, these three transactions kind of led to higher profitability along with the better treasury income if I were to compare quarter-to-quarter.

If I give you a highlight in terms of first half performance of '27 to the last year, we had a profit of 14.27 from the continued operations last half versus 18.56 this half, which is 30% jump that we have got. Here our gross margin in terms of the absolute amount has decreased, and this is more on account of the shrinkage in the AEPS market share that Aastha spoke about in her slide. But despite of the fact that there is a shrinkage in the market, we have been able to hold on to our gross margin because of the better product mix that we are offering to our customers in terms of credit and other products like recharge and stuff.

From indirect cost vis-à-vis the last half, we are better off that's back on the efficiency that we drove in the organization in cost initiatives. Depreciation, again it is kind of helping us. As I told, there was an accelerated depreciation last half which did not come through for the full half this year. Net interest income has gone up by roughly around INR 1.5 crores. That is helping us in terms of EBIT. So, all these kind of factors helped us in terms of higher PAT from continued business from INR 14.27 crores to INR 18.56 crores this half.

Just to summarize, I think the key points is despite the fact, as I called earlier, that there is a shrinkage in the AEPS market offer share, despite the fact that we are holding up our margin on back of better product offering to our customers. The credit is the piece which we want to grow, and we are working on in terms of offering tailor-made solutions to our customers. Yes, so that is more on financial highlights. If you can move on to the next page, please.

As, Dilip mentioned, we have got authorization in terms of PA-Physical this quarter, apart from the four authorizations that we have held in the past. As we move along, we will grow our partnership base. Our collection business partners are roughly around 87, and we would continue to grow in future whether we talk about the credit business partners, banking business partners, or insurance as we move along in the business trajectory.

So, thank you. Thank you from my side. Hashika, over to you now.

Hashika Mutreja: Thank you so much. So, we will now open the Q&A session for the participants. If you wish to ask a question, please raise your hand and ask a question directly or type it in the chat box. I would just request everyone before you ask your question, kindly state your name and the company you represent. We have a first question from Vedant Trivedi. Can you unmute yourselves.

Vedant Trivedi: Thank you for the opportunity. My first question is, with UPI becoming more common even in smaller towns now, so how do you see the agent's role changing? Will customers still need an agent 5 years from now, or does agent become more of an advisor and seller sort of financial products?

Dilip Modi: Yes, no, that is a very good question, Vedant. So, by definition, as we said, we ourselves are going to be working to grow number of UPI users in small towns, and so we are going to add

to UPI growth. I think very clearly, Vedant, the way we see ourselves is as a full financial services stack play. So, when you look at banks, while they have their banking apps, they also have bank branches. For us to move to more complex financial products, you do need a capability on the ground, whether it is KYC, whether it is collections, whether it is collateral assessment, and many other things.

So, Vedant, to answer your question, yes, the role of the agents will evolve. And that is where you see that we ourselves have been trying to look at many of our agents moving from just being ATM points to also functioning like micro branches, opening accounts, both savings and current accounts, distributing loans. So, for us also, it is about building capacity and capability of the agents to do more.

What is clear to us is that as you move into more complex products, banking is a business of trust. Even UPI, Vedant, what we have seen is that one of the friction points for many people not yet coming on to UPI is lack of assistance on the ground if funds get stuck or they have their concerns. So, through our wallet and through on-ground assistance, we are trying to build trust even in UPI for consumers who still don't have that confidence to make sure that they can come on board and do more.

So, I think both for UPI and banking Vedant, we see our agents playing a big role. So, even in the future, as we scale up on the consumer and merchant side, we see our agents playing a very important role on the ground. So, alongside with opening accounts and offering loans, we also look at agents offering assistance of various kinds to enable distribution and use of complex financial products.

Hashika Mutreja: I hope that answers your question. We have the next question from Prisha Shah.

Dilip Modi: Hashika, I think Vedant wants to do a follow-up. Maybe later you can get back to him. I saw a message.

Prisha Shah: So, my first question would be, one thing that stood out in that revenue is lower than last year, but gross margin has held flat around INR 52 crores. So, could you please help me understand what is driving that? And is it the change in business mix? And is this level of margin something we can expect going forward from here on?

Dilip Modi: No, it is the change in mix. But Aastha, can you just walk through as to how we have held gross margins compared to last year and what is the change in mix in that number, Aastha?

Aastha Garg: Yes. So, Prisha, to explain your question in detail, what has happened is, in the last year we saw that there were a lot of subsidies that flew in the AEPS segment, and alongside that the CMS product that we are calling about is the product where we saw a higher GTV in the last year, same quarter. While these are the two products where in the current year, though the

subsidies have not flown in in the AEPS segment, but we have grown our market shares as well as in the CMS business, the focus is now more towards BBPS.

So, these are the two products where we have seen the revenues go down, but we have held on to the margins by having better rates in these products as well as we have in the overall product pie, we have grown towards the newer products which is the credit segment as well as the financial product distribution through CASA and cards, etc.

So, those are the products which are high value and high margin products for us. And as these products are growing, even though you can see through because of the volume decrease, there is a decrease in the revenue, but the margins have held stable. So, this is the major reason why you can see that degrowth in the revenue which is not translated into our gross margins. Does that answer your question, Prisha?

Prisha Shah: Yes, it does, it does. So, my next question would be, so I just wanted to understand one more thing from your end. Like there is a market share gain in this quarter, so from about 17-odd percent to around 18.45. So, you mentioned that you have a target of around 20 plus. So, what will really drive that to 20%, and how many quarters do you think it would take?

Dilip Modi: So, Prisha, if you look at the geographic footprint that we showed you, what we are seeing is if you look at our AEPS market share, this is our all-India market share for 18.5%. But Prisha, if you look at, at a statewide level, wherever we have achieved dense coverage in our agent base, we are already seeing market share between 20% to 25% in those states. So, while 18.5% is our all-India average, if I look at state-by-state market share, states where we have achieved dense agent coverage, we are already tracking between 20% to 25%, closer to 25% market share.

So, like we said, our goal, Prisha, is to grow market share both with respect to number of agents and number of transactions per agent. Now what we believe is that both will drive AEPS market share because in an industry like AEPS cash withdrawal, which on an offers basis is declining, the way for us to grow revenues is to grow market share and consolidate the market while we move into new areas like UPI cash withdrawal and all of that.

So, while we will create new products for even cash withdrawal, on the existing cash withdrawal product of AEPS in a declining market, we are going to look to grow share both in terms of number of agents and number of transacting agents. And there are states where we are already tracking close to between 20% to 25% market share.

So, the playbook is clear, Prisha, in terms of driving desk coverage, which will lead to drive of market share. Because by definition, wherever we have enough agents, we have been able to establish Spice Money as a preferred platform for AEPS cash withdrawal, just because of the

stability of the platform and the confidence that the agents have developed over time on the platform. Prisha, does that answer your question?

Prisha Shah: Yes, that does answer my questions. I have one more question. So, when we see that the overall office AEPS industry is down by around 11% from last year, so I just want to understand how are you reading about this? And do you think that this is like a temporary dip, or do you think customers are moving to other modes like UPI for good? And how would that affect your plans? I mean, any change of plans with respect to this?

Dilip Modi: No, Prisha, very good question, Prisha. The way we think about this, we see ourselves as a platform. And therefore, to that extent, we are agnostic, Prisha, to whether consumers are looking to withdraw cash using Aadhaar as an identity, using card, or using UPI. We will make all modes of withdrawal possible. Today we even enable customers to withdraw cash using MATM, like cards, right?

So, ultimately, Prisha, because we are working in an ecosystem where customers may not have UPI, may have UPI, maybe getting stuck with Aadhaar, may use card. So, as a platform, if you really see, we are not depending on one mode of authentication, we are enabling all modes of authentication. So, that is why when we have launched UPI Cashpoint, we have seen it grow 3x year-on-year from just quarter on quarter. And therefore, from just launching in March, in the last two quarters, we already had a run rate of now getting to nearly close to INR 400 crores a month going forward.

So, I think, Prisha, we will make all modes of authentication possible. What we are confident of is that there is a need even in a UPI-first world to enable seamless cash-in cash-out from your bank account. And therefore, we do see that as we have a good number of agents on the ground closer to where the consumers are, for them to be able to easily deposit and withdraw cash from their bank account is a big enabler for UPI going forward.

So, we are just going to make sure it is available across all modes of authentication. It is the customer's choice to see which one they use, but the need to withdraw and deposit cash will continue to be there. In fact, it will become one of the key enablers in our mind to grow UPI in small towns.

Prisha Shah: Thank you, Dilip Sir.

Hashika Mutreja: We will take the next question from Nayan G.

Nayan G.: Thank you for the opportunity. Sir, I have a couple of questions. One was with respect to the Adhikari and Vyapaari loans. So, when I look at the presentation and the numbers, so the disbursements were down compared to the Q1. This quarter it was around INR 29-odd crores and last quarter it was INR 31-odd crores. So, even though the number of loans went up

marginally, but the loan amount, the disbursement amount has come down. So, what has really changed?

And also you mentioned that the partner's lender has been tightened on the credit policy. So, what really changed on their side? And are things starting to ease out in this quarter? And how do we see the second half of the financial year to shape up on this part?

Dilip Modi: So, Nayan, before I hand over to the finance team, let me say this, that for us, credit is our big growth engine, and every quarter we are focusing on how to grow it. What you have observed in Q2 compared to Q1, Nayan, is we have been working on our underwriting model to increase the top of the funnel to begin with of Adhikaris coming into the platform. So, in a low-end growth strategy of offering smaller ticket loans to perhaps a little more risk customers to be able to test out our underwriting model, our ticket size has come down there. So, even though the number of loans have gone up, the ticket size coming down has led to a flattish kind of value base.

On the Vyapaari side, I think it is very clear, as Aastha mentioned, we are in the process of building out our product, tweaking on it, because in Vyapaaris we see a much more larger ecosystem to offer products on, and we are trying to bring in more supply to ensure that we can improve funnel conversion. So, that is something that we see picking up in the fourth quarter really on the Vyaapari loan. But Adhikari loan, we see that we are going to try and grow quarter-on-quarter. Aastha, you want to add anything if, I have missed something?

Aastha Garg: I think, Dilip, you have covered well.

Dilip Modi: So, Nayan, we are going to continue to focus on credit growth. But yes, we are working on our proprietary models. So, we are going to be testing models and therefore it will play with ticket sizes. So, I think as a platform, the goal is to see throughput, right? And more loans.

Nayan G.: Yes, correct. So, sir, what is the general amount of the ticket size that we deal with?

Dilip Modi: About INR 50,000, below a lakh.

Nayan G.: Got it. And sir, the second question is on the credit business, and the business has reached a breakeven level. So, from here on, how do we see the growth of this business? And how is the quality of the portfolio holding up? And on the default size, how is the trend? Are you seeing the increase in default or it is constant? How the trend is scaling up?

Dilip Modi: So, I let the team go on the metric side, Nayan, but I think to begin with, we have called out two segments: the Adhikari segment and the Vyapaari segment. The Adhikaris are agents, Vyapaaris are the merchants. Today, as we onboard more Adhikaris, as we drive more

transactions per Adhikari, and as we drive more subscription packs penetration across our Adhikaris, we see more stickiness of Adhikaris on our platform.

What that means is they stay longer on our platform, they do more transactions on our platform, we get more data around them, and we are able to both sell them the first loan, second loan, third loan on our platform. So, as we increase more agents and their stickiness on the platform, our goal is to grow more second, third repeat loans on the platform and that is where we see our LTV to CAC really improving in terms of the loans itself.

On the Vyapaari side, we have a huge TAM because outside of our million plus agents, there is close to 10 million Vyapaaris, and they are all looking for formal unsecured and secured loans and that is where we are looking to tweak our product. In partnership with our lending partners to see how to solve for both in terms of sourcing and underwriting.

On the risk side, Aastha, you want to just share the portfolio performance to date on the Adhikari side?

Aastha Garg: Yes, so Nayan, on the Adhikari loans is the portfolio where we are actually taking risk, and this risk is the FLDG-based risk where the standard FLDG as per the government regulations is the maximum risk that we can take under the FLDG regulations is 5% of the total disbursements that we are doing. But here we have been able to keep our risk at sub 2.5% on the disbursements that we have done till date on the portfolios that we have closed and that is where we see that our underwriting on these loans is working, and this is where we are confident.

If we are able to prove this for different cohorts of customers, like Dilip mentioned, that the ticket size has gone down, that is because now we're testing different ticket size of loans for different tenors with different customers so that we can grow the overall portfolio going forward. So, that is where we are confident if this underwriting with this kind of a loss rate works, we will be able to grow on the Adhikari loan portfolio. Does that answer your question, Nayan?

Nayan G.: Yes it does. Thank you.

Hashika Mutreja: Thank you, We will take the next question from Utsav Baheti.

Utsav Baheti: The one question I wanted to ask, is there any regulatory changes that happened during this quarter in this segment?

Dilip Modi: No, Utsav. PAP the Payment Aggregator guidelines are very recent. So, effectively, we have not seen any major updates. Sunil, anything there to add on PAP updates?

Sunil Kapoor: So, in the PAP segment, whether it is Payment Aggregator-Physical, cross-border, and online, this have come into the regulation recently, and the regulator is also building up, and whoever got the license, they are also building up the structure with respect to those regulations and I think that will get standardized and no new kind of which is having any impact on the business running as usual is there.

Utsav Baheti: Regarding the third-party cash deposit, what is the product like and what will be the market like? If you can throw some light on that?

Dilip Modi: So, Utsav, on the third-party cash deposit, this is again a new product innovation on the back of the Aadhaar stack. And this is something that we recently launched with DFS and RBI at the latest GFF festival. So, what the product looks up here is, if you look at the DMT segment, domestic money transfer, where customers are looking to migrant labor who is coming in with cash and wants to send it home in rural areas to their family's bank accounts and all that, typically there were concerns around sender KYC and all of that.

I think AEPS third-party cash deposit has come in as a product to enable to solve for sender KYC, where effectively now the sender is able to authenticate themselves because it is Aadhaar-based authentication on the send side as well as on the receive side, they can send it to their Aadhaar, to begin with the Aadhaar number to the bank account, and going forward to their mobile number.

So, effectively, directionally, Utsav, the whole idea of AEPS third-party cash deposit is this whole cash-to-bank where migrant labor sending money back home, they get in cash, they want to go and deposit that cash, which moves to their family's bank account. Using Aadhaar as a way to authenticate themselves at the point of send is where this product has come in to strengthen sender KYC.

Utsav Baheti: Yes, please continue.

Dilip Modi: So, I think, that segment of what is the domestic money transfer segment, the goal is to see how that can be replaced with AEPS third-party cash deposit.

Utsav Baheti: Just a thought which came to my mind, the government has introduced probably two or three products, the UPI Cashpoint and third-party cash deposit. So, is there a thrust from the government side regarding this segment as a whole? Do you sense that?

Dilip Modi: Very clearly, Utsav, what you mean by segment, is this part of Bharat? The part of Bharat where they are looking at cash-first markets, smaller towns, new to UPI, new to credit. Very clearly, digital-led financial inclusion, Utsav, is very much a focus of the entire ecosystem. So, if you now start most of the themes, in fact, this year, the Global Fintech Festival, I don't think any presentation did not have the two words in it, financial inclusion.

So, I think the whole ecosystem is being driven to say, how do we drive more people into the formal financial fold, whether it is consumers or small businesses, MSMEs and all of that. And therefore this focus on how do we formalize, make more AEPS move to UPI, make cash move to digital, drive new-to-UPI. So, Utsav, definitely, you know, the goal of inclusion is something that is very much in focus.

Utsav Baheti: And just one question on the credit side. So, what would be our borrowing rates and at what rates do we give the money? Do we have any metrics on that?

Dilip Modi: So, Utsav, we are not lending our own money right now. We are more functioning as either a lead originator platform, but more importantly in our credit business, more as a loan service provider, LSP, where as Aastha explained, we have a first loss default guarantee kind of arrangement where we have our own underwriting model which we offer to lenders to lend on the back of. Of course, going forward for Vyapaaris, we are looking at using AI very smartly to see how to collect data and process data so we can give more qualified leads to our lenders. But as of now, Utsav, we are not lending off our own balance sheet.

Utsav Baheti: And do we have any, three, four years down the line, do we have any, like, right now the ROCE is around 12.7%. So, internally, do we have any targets that we want to achieve this kind of a number? What are we targeting?

Dilip Modi: You are talking about ROCE, Utsav?

Utsav Baheti: Yes, ROCE.

Dilip Modi: So, I think, Utsav, I think it will evolve. I will tell you why, because we are launching two new platforms, one for consumer payments, one for merchant payments, as well as the lending business on the back of it. So, I would hold on to the aspect. But if you look at our business, we are an asset-light business. So, effectively, I think, we are going to continue to stay asset-light. So, we are going to improve on our ROCE numbers. I don't think we are really giving any future guidance on where we see this number growing, but Sunil, Amit, if you have any thoughts on ROCE?

Sunil Kapoor: So, on the ROCE standpoint of view, because I will just give an update on the earning side. Of course, on the capital side, we are asset-light model, we are operating on the asset-light model. So, from that perspective, if the earning grows, then the ROCE will also have a healthy growth.

So, profitability side, we had mentioned it that we will be having a growth in the profitability of 20%-25% kind of year-on-year standpoint of view as we envisage now. But as Dilip mentioned about these two platforms when they start get maturing, then we will have a more healthy profitability. Because we have a right to kind of introduce these products in the

market, and we have a good distribution channel and structure in place already to ride on that.

Dilip Modi: So, utsav, just to add to it, like I mentioned, these are early days for formal financial inclusion of Bharat. We believe we are in a unique position because of the network we have built out, which is digitally enabled. We have started lending to Adhikaris where sometimes you are the first, we are enabling the first loan to them as an agent and so in our journey of growth, we are going to experiment with a lot of new products, look at new-to-UPI consumers and merchants. So, the business model will evolve. But yes, we want to grow the business on first principles, and therefore we will make sure that we keep solving for unit economics as we go forward.

Utsav Baheti: And sir, one more question, if I can. So, from the time you introduce a product to the market and how much time does it generally take for the product to get matured? Probably two years, three years. Do you have any timeline for that? Have you?

Dilip Modi: Yes, so yes, again a good question. I think for us the whole goal is to reduce the time to maturity. But yes, what happens is that depending on the nature of the product, like in the Adhikari loan business we have been doing this business for the last 2.5 years and in perfecting the model and all of that and then the idea was that now we are beginning to see how to grow in terms of number of loans.

There is a lot of learning sitting over there, but we are in a business, Utsav, where as we learn, the learning goes for other products as well. Our understanding, our working with the partners, our working with the agents to co-create products. So, our whole goal is that within a one to two year period, how do we ensure that we can start getting more trends? And of course, in a two to three year time period, start driving scale.

Utsav Baheti: Thank you for answering the questions. Best of luck for the future.

Hashika Mutreja: We just have a few questions in the chat box. So, the next question would be by Mandira. Subscription adoption has continued to improve with nearly 58,000 agents now enrolled in subscription plan, contributing 48% of GTV compared to 42% in the previous year. How much further can the subscriber base expand, and what level of penetration amongst active agents are you targeting over the long term?

Dilip Modi: So, Mandira, I think for us here, 58,000 agents is still less than 10% of our overall base and therefore, our goal is to continue to get more and more people to transact. I think one of the things that is going to drive this, Mandira, is more products coming on our platform so that they can be included in the subscription packs, which will make it more meaningful for people to subscribe to these products. So, I think, subscription is going to continue to be an ongoing part of our strategy.

So, as we bring more products on our platform, our goal is to drive more and more agents towards subscription packs and including more products in these subscription packs. So, today when I look at 58,000 agents is mainly linked to a few products like AEPS. But as we add more products, we will be able to get more and more value into our subscription packs to get more agents to subscribe to it.

But what is clear to us is that when an agent or a customer is on a subscription pack, we see more stickiness and we see more value and that is why we see the contribution to GTV being significant of agents on subscription versus agents who are not on subscription.

Hashika Mutreja: Another question would be, what are the key factors driving the decline in CMS volumes despite new client additions, and when do you expect the shift towards BBPS to revive growth in the collection business?

Dilip Modi: So, I think, Mandira, for us CMS is a low-margin business and as Aastha was explaining, our goal is to drive higher take rate of products on our platform. So, we want to definitely move from low margin to higher margin. Also, CMS to BBPS is moving from agent branch collection to more agent-to-consumer collections, which is also a data opportunity for us.

So, I think what is driving this shift is today BBPS is mainly a customer collections platform. Only recently we have been working with NPCI, BBPS, Bharat Connect to onboard an agent module onto the BBPS platform. So, the 1% that Aastha showed us on the screen out of the 100% of clients are the 4 who have come on to BBPS agent module, which is where we want to move our CMS 87 clients to. So, we are driving this with NPCI to see how we can get many of the 87 CMS clients to move to BBPS agent module.

And for those who have already started using the BBPS agent module, the usage of that BBPS agent module is growing. So, I think our goal over the next two years is to move CMS to BBPS agent module. So, I think FY '27, '28, '29, over the next two years we see more and more of CMS moving to BBPS agent module.

Hashika Mutreja: We have the next question from Preeti Sharma. You have crossed about 18.9 lakh accounts open, but total float income was a little lower this quarter than Q1. Why is that? And right now only 60,000 agents are opening accounts. So, how are you planning to get more agents to offer this?

Dilip Modi: Aastha?

Aastha Garg: So, Preeti, if you look at the float balances, it is basically two banks that we are working with. So, the float balance with both the banks typically wavers, and with both banks we have different arrangements. So, overall the little decline is because of the change in the mix of float balances that we have with the two banks that we are working with. So, that is on why

there is a slight decline in the overall float income that you can see in Q2. And you know about why only 60,000 of our agents are today opening accounts.

So, Preeti, what happens is account opening is a product that banks want to drive very cautiously. So, when banks are driving this product, they have mandates on what are the guidelines under which the agents have to function to open this kind of a product. So, according to the bank's guidelines, we have to whitelist SMAs who are in those areas where the banks have branches nearby, and hence we can whitelist them for doing this product.

And that is where that sporadic coverage point also comes in, that when we are trying to expand our coverage across India, we are also trying to bring in more SMAs to near the points where the bank's branches are there, or the other guidelines that the banks have fixed, those points can also be fixed. And hence, we can enroll more SMAs for opening accounts or serving on the other products. So, that is why this number looks lower today.

Hashika Mutreja: Another question is, Grahak loan distribution grew about 33% this quarter. And I believe the new personal loan product helped. Just wanted to check, do you carry any credit risk on these loans or is it purely a referral model? And how do you see this growing in H2?

Aastha Garg: So, from overall Grahak Loan point of view, just to clarify, yes, we launched the personal loan product in the last quarter and that is a product that is just in the build stage right now and we want to drive scale in the in this product in the coming quarters in this product. Otherwise, also in the other products that we are doing with the partner lenders, for example, commercial vehicle loans, equipment loans, gold loans, and the other category of loans that we are doing, these are the loans that we are doing purely on referral model in the credit distribution segment.

So, we have called credit in two parts. One is the distribution segment where we are not carrying any risk, and this is a pure referral model. And the other one where we are doing it for our Adhikaris, where we are taking risk under the FLDG guidelines, that is separate, where we discussed the risk that we are taking today and the NPAs and the rates of risk that we are having today on our books, so that on the partner lender books. So, this is for more clarity, this is the business where we are not carrying any risk right now.

Hashika Mutreja: Thank you. I think that was the last question for today, so I would now hand the call over to Dilip sir for closing.

Dilip Modi: Hashika, I think there is one question I see from Ramesh.

Hashika Mutreja: His question is, when shareholders will be rewarded? It is high time company think creating value by growth and improving profitability so value can be created for its stakeholders.

Dilip Modi: My, favorite question. So, Ramesh, thank you. Thank you for asking this question. We are really looking forward to a time when the company can get back into a mode where we can declare dividends and our share value can reflect the intrinsic value of the business. Ramesh, as this listed company, we believe that there is value in being listed. And one of the reasons where we want to create value for shareholders is by first simplifying the structure. And that is what, Ramesh, we are doing.

By the end of this financial year, we are really looking forward to this company becoming a pure-play fintech where hopefully the value of the share will reflect the intrinsic value of the pure fintech business that we are building out. We are also trying to stabilize our profit story so that in a declining market of our core product, with building new products, we are able to hold and grow our profits.

So, ultimately, our goal is to make sure that in our journey of capturing and unlocking value for our shareholders, we are very clear as to where the value will come from. That is very clear to all our shareholders, and we will also be able to, in the coming years, be able to deliver on the back of it.

So, I think, Ramesh, we are at a stage where now we are moving towards becoming a pure-play listed fintech. We hope that by the time we get listed, many of our products will start moving in a certain way and we can demonstrate how the financials will hold. And our goal is definitely to make sure that we can build the business in a manner where we can both capture and unlock value for shareholders.

So, I can only say that we are in the right direction, I hope. But one thing is very clear, we are working in a part of Bharat that is significantly underserved, very high addressable market from a size point of view. And like we discussed earlier, the entire ecosystem is looking for building formal financial products for this market, and we have the right because of the agent network that we have deployed.

So, we are committed to growing, and we hope that our growth can lead to growth in profitability in a manner where we can reward shareholders earlier than later. So, please keep this question alive because we will soon make sure that we can answer it well.

Hashika Mutreja: Sir, we have another question from Aditya Somani. We make a fee share from AEPS, but when market shifts to UPI, how will we make money? UPI doesn't come with fees, so are we going to lose on that fee income?

Dilip Modi: So, Aditya, UPI right now, what we have launched is UPI Cashpoint where we make the same economics as AEPS. So, just to clarify, that on cash withdrawal we are making the same economics on UPI as we do on AEPS. But I think what you are basically talking about is UPI

consumer and UPI merchant, right? Where, of course, we know that MDRs have come in, but they don't apply to less than INR 2,000, which is a large market.

In fact, if you see latest, there has been some latest announcements by and there is a lot of focus, Aditya, on driving new-to-UPI users. So, I think the ecosystem is very sure that we can build viable economic model for players, fintech players, to be able to drive growth of UPI. So, like there is a focus on driving an economic model for growth of UPI from large merchants funding, there is also an economic model in the works for how to fund economics for growth of UPI among small merchants. We have had subsidy schemes in the past, and PIDF schemes and all that. And I am sure the ecosystem is committed to making sure that we can make the economic model work.

So, I think, Aditya, as we move into UPI, and the only other thing I will say, Aditya, is that, we have seen with AEPS also that where the consumers see value, we see growth. I think we have to make UPI work for the small merchant and for the rural consumer. And I am sure if we can make that work, we will figure out an economic model. So, I think the answers are there to be found.

Hashika Mutreja: He would also like to know how much of the AEPS business is cash withdrawal.

Dilip Modi: I think a significant part, Aastha, between cash deposit and cash withdrawal, I would say majority, right? 97%.

Aastha Garg: Majority, 98%, yes.

Dilip Modi: 98%. Yes.

Hashika Mutreja: I hope that answers all your questions. We will just take a moment in case any further questions come in.

Dilip Modi: I don't know whether Vedant is still around, Hashika, but I know he had asked to unmute. I don't know whether he left.

Hashika Mutreja: Let me check. He has left the call.

Dilip Modi: He has left the call. Okay.

Hashika Mutreja: I think since we have no further questions, I will hand it over to you for closing again.

Dilip Modi: Thank you, Harshika. Well, thank you everyone once again. This has been a very vibrant interaction. I am so excited by the fact that so many of you are showing interest in what we are building. Let me just tell you that we are building something that is very, very important for our ecosystem to continue to grow because we are actually building at the bottom of the

pyramid and trying to lift a lot of consumers and small merchants in small towns to bring them into the formal financial fold, and we are doing it with unit economics and profit and growth in mind.

So, at the end of the day, for us, Tier 3, Tier 4, Tier 5 Bharat, for Bharat to grow, Tier 3, Tier 4, Tier 5 Bharat has to grow and financial services is the underpinning of economic growth of any economy. So, we at Spice Money are committed to contribute towards that. I look forward to your continuing interest in what we are building.

Please keep up the curiosity. Please keep reaching out to us with your suggestions and inputs, and we will continue to work tirelessly to make sure that we can continue to serve our consumers and merchants in small towns and make sure that we can drive economic progress for both micro entrepreneurs as well as consumers living in small town Bharat. Thank you so much for your time and patience. And look forward to staying connected. Thank you.

Hashika: Thank you, everyone, for joining us for DiGiSPICE Technology Limited's Q2 & H1 FY 27 Call.

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