

Company Name: Veefin Solutions Ltd.

Management Participants :

Mr. Raja Debnath - Managing Director

Mr. Gautam Udani - Chief Operating Officer

Mr. Payal Maisheri – Chief Financial Officer

11th Annual Valorem Conference Highlights :

- Supply chain finance acts as the entry-point product, enabling cross-selling of the broader banking tech suite and deepening client relationships over time.
- Platform implementations come with 5–7 year contracts and high switching costs, making revenue highly recurring and resilient once clients are onboarded.
- SCF and transaction banking products are technically complex, creating strong competitive moats; long enterprise sales cycles give way to highly probable conversions once commercial discussions begin.
- ~USD 60M pipeline from ~50 clients, with 30–40% revenue recognized in Year 1 and the balance over 4 years; 40–50% of deals expected to close within 6 months, providing strong near-term revenue visibility.
- Shift from single-product to bundled deals (SCF, LMS, cash, trade, internet banking) is increasing average deal size, with some enterprise contracts valued at INR 40–50 crore each.
- Average margins on product deals expected at ~50%, supporting overall profitability as the revenue mix continues to shift toward IP-led products.
- The PSB Alliance platform connects banks, fintechs, and corporates via a single API layer, with a revenue model spanning basis-point fees (30–65 bps), integration fees, and usage-based income — positioning the company as central working-capital and trade finance infrastructure in India.
- With ~80 corporates and INR 4,000 crore in approved limits at initiation, the platform is designed to scale to lakhs of crores; incremental transactions require minimal effort once integrations are live, with industry peers now processing INR 10,000–15,000 crore monthly.
- The services business dilutes consolidated margins due to low profitability; however, AI adoption is expected to reduce manpower costs in services while improving margins in the IP/product segment.
- An experienced leadership team with deep banking and fintech expertise underpins execution; the PSU-led co-lending and multi-lender financing ecosystem represents a large, underpenetrated opportunity with significant long-term upside.

Key Questions & Answers discussed during the Conference:

- **Why is the PSB platform taking time to scale?** Because onboarding requires integration of multiple participants including banks, corporates, suppliers, and dealers, the platform needs to build the entire ecosystem before transactions can start. This involves system integrations, approvals, onboarding of channel partners, and operational testing, due to which the initial ramp-up period is slow, but once the network is established, transaction volumes scale up significantly.

- **Why are margins lower at consolidated level?** Low-margin services business is included in the consolidated financials, which dilutes the overall profitability. While the services segment contributes to revenue growth, it operates at significantly lower margins compared to the product and platform business, thereby reducing the consolidated margin despite higher topline.
- **What is the competitive advantage of the company?** Experienced management team with deep domain expertise in banking, supply chain finance, and financial technology, along with a highly configurable technology platform that allows faster integration and customization without major system changes. We also benefit from a strong PSU bank ecosystem and long-term enterprise contracts, resulting in high client stickiness. Together, these factors create significant entry barriers, making it difficult for new competitors to replicate the platform, relationships, and implementation capability.
- **How does the company make money from the platform?** Revenue is generated through multiple streams, including basis-point fees charged on transactions executed on the platform, upfront license fees for product deployment, annual platform or subscription charges, implementation and integration fees, as well as recurring usage-based income linked to transaction volume and client activity, which provides strong revenue visibility over the long term.
- **Why do corporates prefer such platforms?** Corporates prefer to work with multiple lenders so that they can obtain more competitive interest rates, access higher credit limits, and avoid dependence on a single bank. Diversifying lenders also helps reduce concentration risk and improves funding flexibility. Therefore, a corporates to connect with several lenders at once, compare pricing, and ensure continuous availability, multi-bank platform becomes highly valuable as it allows availability of financing.
- **How sticky is the business?** The business is highly sticky due to long-term contracts typically ranging from 5–7 years, significant effort required for system integration, and deep operational dependence once the platform is implemented. After transactions start scaling, banks and corporates become reliant on the platform for daily operations, making switching difficult, time-consuming, and costly, which results in strong client retention and long-term revenue visibility.
- **What is the long-term growth driver?** Future growth is expected to be driven by onboarding more banks onto the platform, adding new corporates and their supplier/dealer networks, and increasing overall transaction volumes as existing clients scale their usage. In addition, expansion into multiple banking and transaction products such as supply chain finance, trade finance, cash management, and lending systems will further increase deal size, improve cross-selling opportunities, and strengthen long-term revenue growth.
- **How much of the pipeline is expected to convert into orders?** The current pipeline consists of qualified opportunities where product evaluation, discussions, and initial approvals have already taken place, which gives high confidence on conversion. Most deals are at an advanced commercial negotiation stage, so the key uncertainty is related to the timing of closure rather than execution risk, as these enterprise deals typically take time due to long sales cycles and internal approval processes at banks.

- **What is the long-term vision for the platform?** Long-term vision is to position the platform as a central infrastructure layer for the financial ecosystem, enabling supply chain finance, trade finance, co-lending, and working capital financing to be executed through a single unified platform. The objective is to connect banks, NBFCs, fintechs, and corporates on one network so that all participants can transact, share limits, and access funding seamlessly, which would make the platform a core operating backbone for transaction banking and credit distribution.
- **What is the current stage of corporate onboarding for PSB Xchange?** Corporate onboarding is currently at an early but progressing stage, where multiple corporates have already initiated workflows on the platform and banks have started approving credit limits for some of them. Initial transactions are being tested with smaller limits, and once the process stabilizes, corporates are expected to onboard their dealers and suppliers, which will gradually increase transaction volumes and move the platform towards full-scale commercial usage.

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