



Manipal Payment and Identity Solutions Limited

Q1 FY27 Earnings Conference Call
October 05, 2026

Management: **Mr. K Girish Kini – CEO and Executive Director**
 Mr. Ramanath Pai – Chief Financial Officer
 Mr. Mayank Bhotika – Head, Strategic Finance & Treasury

Moderator: Ladies and gentlemen, good day and welcome to Manipal Payment and Identity Solutions Limited Earnings Conference Call. Please note that this meeting is being recorded.

I now hand the conference over to Mr. Anoop Poojari from CDR India. Thank you, and over to you, sir.

Anoop Poojari: Thank you. Good evening, everyone, and thank you for joining us on MPI's Q1 FY27 Earnings Conference Call. We have with us Mr. K Girish Kini, CEO and Executive Director; Mr. Ramanath Pai, Chief Financial Officer; and Mr. Mayank Bhotika, Head, Strategic Finance & Treasury.

We will begin the call with a presentation by the management, following which we will have the forum open for an interactive question-and-answer session. Before we start, I would like to point out that some statements made in today's call may be forward-looking in nature, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier.

I would now like to hand over to Mayank to begin the presentation.

Mayank Bhotika: Thanks, Anoop. Good afternoon, ladies and gentlemen. Thank you for joining in. Before we embark on Manipal Payments, because this is our maiden call, I just wanted to take you all through The Manipal Group.

We represent The Manipal Group, promoted by Mr. Gautham Pai. Mr. Gautham Pai is a third-generation Promoter and has joined the business in the late 1990s and early 2000s. Just to give you a quick download of the history of the Group, Gautham's grandfather was instrumental in setting up Syndicate Bank before independence. As you know, Coastal Karnataka has been a citadel of banking. A lot of banks originated from that geography. The Pairs originally wanted to formalize banking. Once banking was formalized, the Group ventured into other businesses, for example, education, healthcare, media, print, and so and so forth.

Fast-forward to today, the Group has around 14-plus businesses divided into three major platforms, which is the legacy BFSI platform where Manipal Payments is our flagship arm, the consumer platform, and what we call ancillary platforms where we house businesses like EPC, print, advertisement, and so and so forth.

In terms of how we operate, all of these 14 businesses are managed and operated by individual CEOs running professional teams, and the CEOs own the P&L for the business. Gautham's intervention in the business is predominantly three-fold, for any corporate actions, C-suite hiring, which means leadership minus one, and for any strategic direction which he would embark on the operating entities. In that sense, we operate more like an evergreen fund.

Manipal Payments is the first of many which has now got listed, and we believe that the Group has the potential for a few more companies to look at the capital markets in the near future. I would now like to move forward and ask Girish to basically take over the business.

K Girish Kini: Good evening. I am Girish, CEO for the Company. I have been part of the group for last 30 years and been part of MPI since inception. Welcome you all to the first earnings call of MPI. I will be covering the overview of the business, and later, I will summarize the entire Q1 summary.

We are a leading player in the domestic payment card market with 31% plus market share. Credit cards, we have higher market share at 36.4%. We have done more than 1 billion national ID cards on 12-plus languages. As a part of our driving license contract, we have offered multiple services at more than 88 RTOs in multiple states in the country. Now, we are present in 15-plus countries with four subsidiaries.

Globally, we are ranked in the 10th position in terms of shipment of Visa and Mastercard, ex-China. If you see the global market, close to around 20 billion cards are in circulation and growing at a CAGR of around 2.7%. Top 10 players hold around 71% market share. It is highly gated by certifications and presence in multiple markets.

India business, last year, close to around 327 million cards were shipped, and it is growing at a steady CAGR of 13.1% in terms of growth. Top four players hold a share of close to around 90%, and MPI holds share of close to around 31.7%.

Our business is highly regulated, and we need to have certification from multiple payment schemes. Entry barriers are very high. The products we manufacture are covered by a secure data, which makes it unique. Data is a very sensitive element in the business. We need to be certified by PCI DSS and CERT-In certified. We are heavily invested in our IT infrastructure and even the manufacturing certifications.

We just do not offer products. We have offered technology. We offer solutions. We offer services bundled at the overall offset. We have categorized our business majorly into two major categories: core business and emerging segments.

Within core business, we have our domestic payment cards, followed by Government ID, digital automation, and bundled offering and secure logistics are the extended arm of domestic payment card. Within the emerging business, it is more of a high-growth engine scaling from India to the world. Major vertical is the exports, exporting to more than 15-plus countries, having four subsidiaries. Then, we have metal both in domestic as well as the global market. We have a tax stamp business leading into the revenue assurance and revenue savings space. RFID and IoT are the new vertical, which we have started during last year.

Overall, MPI as a Company has been innovative from the beginning. When industry evolved, MPI has led the change. When magstripe cards converted into chip-based cards and chip-based cards converted to chip plus tap-based card, when metal came into India, especially in the identity space, when driving licenses were converted onto polycarbonate, plus when tax stamps were launched with the intaglio, and even instant issuance when it was launched in the country, all these changes were driven by MPI. Today, we are a global Company offering all these services across multiple markets.

I would like to cover a glimpse of our domestic business. We have relationships with almost each and every bank in the country. If you see our relationship, it is more than 15-plus years with all the top banks. Our revenue mix is very even between PSU and private banks. We have onboarded more than 60-plus fintechs in the payment card space. In terms of Government, we are having more than 17-plus contracts with both state and central Government. These are all multi-year and long-term contracts in nature.

In the NCMC and transit space, we are leaders. We have rolled out multiple projects for multiple metros and public transports, especially in the state of Maharashtra. Overall, in terms of operations, we have 19 locations, and four locations we offer completely one-stop bundled solutions from these locations. Our long-standing relationship with the customers acts as an entry barrier against all the new entrants in the business.

Digital automation business, here, we help the banks to automate the services in their branches. We have multiple offerings in this space like instant account opening, instant card issuance, cheque depositing, passbook printing, multi-function kiosks. Here, we offer hardware plus software, software which is deployed across multiple branches, and the services managed around both the hardware and software in this offering.

Overall, we have more than 5,000 deployments across multiple banks in the country. Globally, we have deployed more than 30 kiosks in multiple European airports where any customer can -- for a large neo bank and any customer walking into the kiosk can scan the QR code, can instantly get a personalized card, or a forex card, or a prepaid card from the kiosk. We have significant demand coming up from Tier 1 and Tier 2 banks globally.

Government ID, we have multiple offerings in this space like citizen card, voter ID card, driving license, ration certificates, national ID. Globally, driving license was on a material called polycarbonate with laser technology where the shelf life of the card would last for more than 10-plus years. We were the

first ones to launch this in state of Maharashtra, for a period of eight years, Chhattisgarh for a period of 10 years, and Andaman for a period of five years. It is a big segment and a large offering within the domestic space.

National IDs, we have been doing for last 10 years. More than 1 billion cards we have supplied to the national ID, and it is done on 12-plus languages. It is an annuity business. When there is an individual born, when individual turns 18 years, and when the address is changing, these cards are being issued. Overall, with the volumes we have done in India, today, we stand in a very front-foot position where to address all the global requirements, and we have participated in more than seven to eight large projects globally for driving license and National ID globally.

Exports, we started our journey almost 4 years back. We have the sales team working around multiple markets, and partners also in the multiple markets. And we are now present in five regions: APAC, UK and Europe, Middle East and Africa, LATAM, and US. Our whole model here is manufacture in India for the world.

If you see the card, 90% revenue of the card comes from the base card, which has the bank branding and the scheme branding. This portion of the card gets produced in India. The remaining 10%, which is the personalization, basically the name, number, and the secure information which goes inside the chip, this gets manufactured out of the local market, as there are data localization laws and this portion of the activities will have to be done out of the local market.

Our Nigeria bureau is fully operational, and we have supplied base cards and personalized cards to multiple banks in this market. And, if you see our revenue, it has been growing at a CAGR of 116%. FY26, close to 7% of our revenue was from exports. And in Q1, we are at around 15% in terms of our overall revenue, and INR 64 crore worth revenue we have delivered in Q1. Very, very confident to expand the export business, our international business in the payment card space.

Metal card is a very niche segment, premium segment. And what we are seeing is significant amount of movement is happening into the HNI space, in the payment card space. And the realization per card is almost 20 to 25 times of the traditional card. And during the last year, close to around 64 million cards were issued globally, which is growing at a CAGR of around 15%, US being the largest market. And in India, the CAGR is around 47%, and close to around 2 million to 2.2 million cards were issued on metal.

Within this space, there are very few players globally manufacturing metal. And this falls in the branded category like the pharma, where manufacturers have patented and have got grants in multiple markets. And today, we are one among them. And we have got a patent granted in India and multiple markets. We have supplied cards to all the top four issuers in the country. And we have supplied all the top-notch variants like HDFC Infinia, Diners, SBI Aurum in the country.

And we have supplied to the largest neo bank in the global market, plus multiple other customers we have supplied these cards in the global market. And this segment falls in a high-margin, high-growth segment for us going forward.

Tax stamps, each and every state today generates revenue by sale of liquor, and a state like Karnataka would generate close to around INR 40,000 crore in terms of revenue. This tax stamp with the intaglio technology secures the revenue for the state. If you see all the global currencies, including the Indian currency, have this intaglio technology.

And we are offering this to multiple states in the country. We are just not offering the product. We are also offering the authentication solution where the movement of liquor from distillery to warehouse, warehouse to retail, and the authentication of the tax stamps by the inspectors in the field is completely verified on our platform.

And we have significant opportunity coming up even in the global markets where the Governments are looking at protecting tobacco, alcohol, and pharma revenue in the global market. This also is a high-growth and high-revenue segment for us going forward.

RFID and IoT, we invested heavily during last year for converting, then inlay manufacturing and personalization. Our whole idea is to offer soft tag, hard tag, hardware solutions, and software platforms for multiple segments. Retail has gained significant traction over a period of time, and large retail customers have got real-time control on their inventory movement from the warehouse to the retail shop, to their online store. We have done large business with a large retailer in the first quarter, and we are working with multiple retailers to expand our forte in the RFID space.

Plus, we are also looking at other segments like jewelry, logistics, and pharma in this segment. This is growing at a CAGR of around 15%, and we clearly see opportunities outside the domestic market. As we are present in other markets, we are looking at addressing these requirements in the other markets, too.

I will cover now the Q1 highlights. We closed Q1 revenue of INR 419 crore. This is 48% higher than the last year. Now, that is a good number, but honestly, what I am more pleased about is where the growth came from, because it came from two directions at the same time. Our core business, the business many of you know us for, grew 22%, and our emerging business grew 2.3x. They are now 37% of our revenue. We are building the new without slowing down the old. That, I think, is a real story of this quarter.

And within the core business, banks do not come to us just for a card. They come to us for the whole job. With our bundled offering, a bank gets the card, the checkbook, the welcome kit, and the secure delivery right to the customer's doors, all from one partner. That is why they stay with us.

Some of the wins in the first quarter, we won more than nine contracts and renewed one large public sector contract with small finance bank, rural, and cooperative bank. We also supported around 10 new card launches, and in the digital automation space, a large public sector bank placed an order for more than 360 passbook kiosks.

NCMC card, one area I personally want to highlight is transit. We were among the early players in NCMC transit card, that is one card for metro, for bus, for every day payment. Today, leading payment players, including a large prepaid and payment Company, issue their NCMC cards with us. As more Indian cities bring the metro and bus network onto this standard, the demand for these cards grows with them.

Now, metal cards, we supply India's four largest card issuers. This quarter, we added three new metal card customers, and now we have more than 10 metal card designs in the market across leading issuers. International, if you ask me what has changed the most at MPI in the last three years, it is this: In financial year '23, international was about 1% of our revenue, in FY26, it was 7.2% and in this quarter, it is 15.3%.

The model is actually quite simple. We make the cards in India at India cost, and we personalize it close to the customer, either in our bureau or with a local partner or inside the bank. In Q1, we have added 10 new banks and fintech customers abroad and entered into four new countries. Five of these customers are in the Middle East and Africa, including a large bank in Africa.

Our existing customers in Europe, Africa, Latin America, and Southeast Asia also gave us more business. Our Nigeria bureau is now fully certified and delivering cards to the banks. And our 31 kiosks are issuing cards in Spain today. We are not just exporting a card anymore. We are exporting the card, the personalization, the metal upgrade, and the kiosks.

In our tax stamp and RFID, the question we answer is the same: Is this product genuine? By industry estimates, we run one of the largest excise label systems in the world across multiple states. Excise officer check our labels in the field using our mobile app. This quarter, we have added a new multi-year tax stamp contract, and in RFID, a large retail program is scaling up during the quarter.

Now, what connects all this is technology we have built ourselves, our own software personalizes cards securely, issues them instantly at a branch or a kiosk, and tracks every secure delivery across

more than 19,000 pin codes. We have also built our own RuPay chip software, and we have five registered patents with more than 30 more filed.

To sum up, we are growing at home, we are growing faster abroad, and the IPO has strengthened our balance sheet to support both. A number of contracts we have won this quarter are still in the early stages of billing. For us, the focus is very simple: execute quarter-on-quarter.

With this, I hand over to Ramanath to cover the financials of Q1.

Ramanath Pai:

Thank you, sir, for providing detailed business highlights. Before I jump into the Q1 numbers, I would like to give a brief on historical financial performance, so that it gives a fair idea about how our financial have been performing over the last two to three years.

In terms of revenue, we have grown from INR 902 crore to INR 1,326 crore at a CAGR of 14%. And this revenue increase is coming from twofold. It is a combination of value as well as the volume. And directionally, we are moving towards high-value products, like be it rPVC, or bundled offerings, or metal cards.

Within the revenue, export has increased significantly. It has grown 10x over last two, three years. It has grown from INR 9.5 crore to INR 95 crore. And today, we have reach across 15-plus countries through our four international subsidiaries and a sales presence across five regions.

EBITDA, it has expanded significantly over last three years. It has increased from 19%+ to 33%+. And the major contributors for this expansion in the EBITDA margin include favorable product mix. The share of our revenue in digital automation, metal cards, and tax stamps has increased substantially.

Economies of scale and the operating leverage which we are getting because of the increased revenue, it is favoring the overall margin expansion. And of course, the backward integration which we have done, today, we have our own RuPay chip applet. The inlay which goes into the cards, we manufacture it in-house. And the technology platform, which is required for running the entire show, it has been built by our own IT team.

PAT is increasing in line with the EBITDA margins with the typical conversion between EBITDA to PAT being 60%, which has grown today from 13% to 18.68% as on FY26. And literally, we do not have any funded debt in the balance sheet.

Coming to the working capital cycle, we have a standard 70 days working capital cycle. 55 days is inventory, 45 days is the receivable cycle, minus 30 days of payables. In terms of return metrics, our return on capital employed is upwards of 32%. This is despite the significant investment which we have done over last two to three years and the cash balance which we are holding as on 31st March '26, which is more than INR 220 crore.

Over last two to three years, we have invested roughly around INR 300 crore into capex, which is mainly for increasing our capability or the capacity into domestic as well as international operations. Again, we do not have any debt in the system. We are completely debt-free, apart from the non-fund-based limits which we use for providing the bid security to the customers.

Now, we have IPO proceeds of INR 320 crore, out of which INR 238 crore is earmarked for the expansion of manufacturing capacities, which is mainly for metal cards, tax stamps, and the international operations.

Coming to the customer profile, I think overall vintage of the top 10 customer is more than 12 years. So our customers are highly sticky in nature. Coming to the customer concentration, we have been adding multiple regions and multiple businesses over the years, and accordingly, the customer concentration has dropped from ~62% to 58% in FY26.

I will now move to Q1 FY27. These are our first quarterly results since listing, and the quarter has seen strong growth across both core and emerging businesses. Revenue from operations has grown 48% year-on-year to INR419 crore.

EBITDA has grown 44% year-on-year to INR 124 crore with a margin of close to 30%. PAT has grown to INR77.7 crore, which is 2.3x of last year, and again, the margin is significantly increased to 18.3%. Our share of international business today has reached 15.3% compared to 3.9% in Q1 FY26.

Coming specifically to international businesses, this year, we have added -- specifically in Q1, we have added Nigeria as a region, which is fully operational, certified, and we have started supplying the cards from there. And today, in Q1, this is the largest international bureau for our business.

Our core business has delivered a growth of 22%, and emerging business is 2.3x of last financial year. Anyway, I will be taking you through the core and emerging businesses shortly. Let me now walk you through the P&L for the quarter in a little more detail.

Revenue from operations has grown to INR419 crore, which is 48% year-on-year. Of this, INR 135 crore of increase over Q1 FY26, more than two-thirds of the contribution is coming from the emerging businesses. So the entire quarter is led by emerging businesses with the core continuing to grow steadily.

Operational EBITDA grew 44% to INR 124 crore, with margin of 29.6% which is roughly around 80 bps lower to FY26 Q1 numbers, but it is higher by 170 bps sequentially. Now, this quarter, we faced a couple of headwinds in terms of input costs. Geopolitical issues have increased our raw material costs, and also weaker rupee has increased our overall imported material costs. Despite this, the overall operating leverage which we are getting has helped us to hold on to our margins, which is at around 30%.

Our overall fixed cost has increased from INR 104 crore to INR 126 crore, which is roughly around INR 22 crore, whereas our overall revenue has grown by INR 135 crore. This is the overall leverage which we are getting. And as a share of revenue, overall fixed cost has decreased from 36.5% to 30%.

PAT grew 2.3x year-on-year. PAT margin has increased substantially by 670 bps, and the EPS has grown from INR 1.57 to INR 3.39. One thing to note is that in PAT, the PAT is after absorbing INR 7.7 crore of seeding and development cost for our new initiatives.

We classify our business into core and emerging to give a better visibility into where our growth is coming from. We have built our core business over a decade, which has taken or which has reached around INR 1,000-odd crore over last 10 years, and now it is compounding at a healthy rate. During the quarter, core business grew at 22% year-on-year, and major growth drivers for the quarter are increased adoption of co-branded cards, NCMC migration, and the bundled offerings.

Emerging business is the real growth engine of the Company. It includes international business, metal cards, tax stamps, and IoT solutions. Emerging revenue grew from INR 69 crore to INR 157 crore, and its share of revenue increased from 24% to 37% in one year.

Now, internationally, we have reached across 15-plus countries, four global subsidiaries and a sales presence across five regions. In terms of tax stamps, we have added a significantly large contract during the quarter, which is again a multi-year contract, runs into five to eight years.

Our metal card portfolio has expanded to 10-plus variants across top 10 or top issuers. Here, the beauty is that the ASP leverage which we are getting, while the ASP of the metal card is 20x to 25x of the regular traditional card. So directionally, metal cards and tax stamps are margin accretive.

As the share of emerging rises, these business can potentially yield better margins, and together with the operating leverage which we are getting because of the incremental revenue, this can support our margin profile over time.

To summarize this quarter, Core is compounding at 22%, Emerging is scaling at 2.3x, operating leverage has absorbed input cost headwinds, and we have a debt-free balance sheet with IPO proceeds earmarked largely for capex in metal, tax stamps, and international capacity.

With that, I will hand it back to the moderator for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. First question is from the line of Aditya Nandagopal from Avendus Spark Institutional Equities.

Aditya Nandagopal: First of all, congratulation on your amazing set of numbers. My first question is towards the debit card market. Primarily, I would like to ask about how the management is looking into the debit card issued market going forward on a future basis, considering we are coming out of a lower base in financial year '25. I expect in the near term it is expected to grow.

But again, I would also like to ask the management on the onslaught of newer payment methods like UPI and everything. How do you think the debit card market overall issuances is expected to grow according to the management?

K Girish Kini: Recently, the largest PSU rolled out an RFP, and their overall issuance itself is almost double for the next three years. What we clearly see, there are multiple use cases coming up in the debit card space, especially the transit space. All the metros were on a closed-loop network, which is completely getting migrated onto an open loop.

There are re-cardings to be done across all metros as well as all the fresh issuance to be done across the metros, plus public transport, especially the public bus transport is gaining significant traction for the senior citizens, for the concessions to get on the student passes. All that is moving on the card base, and Government is encouraging migration completely onto the card platform.

Coming to UPI, see, it is more in terms of the number of transactions which are there. What we issue in terms of number of cards and the number of transactions are two different subjects. So, what we believe is the debit cards will continue to grow at around 13% overall in terms of growth in the industry.

Aditya Nandagopal: Okay, sir. My next question is on the metal cards. Can you give me a light on, like, per-unit realization of our metal cards, if at all possible? Going forward, how do we look into the realization from our metal cards? As we have already told, there is a significant difference between the PVC cards and the metal card. Is there any number which you can quote on the realization per metal card, if so possible?

Ramanath Pai: Yes. So when we speak about metal card, there are multiple types of metal card today globally, and typical ASP leverage is between 20x to 25x of our traditional plastic cards. And as we move ahead, definitely, there will be significant premiumization factor which we are already seeing in the country, which is led by US currently where total issuance is roughly around 35 million to 40 million cards every year.

And in India, last year, we have seen hardly 10 lakh to 12 lakh cards being issued. But that significant premiumization push, which is happening today and the aspiration of the people to have a metal card in their portfolio, which is completely driving this overall metal issuances. But on the ASP side, definitely, it is between 20x to 25x of the traditional plastic card.

Aditya Nandagopal: Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Nitin Aggarwal from Motilal Oswal Financial Services Ltd.

Nitin Aggarwal: Hi, team. Congratulations on good results and a good start as a listed Company. I have a couple of questions. One is on the international business. Like, if you can talk about as to what kind of order book you have. This business has been growing very fast, already forming 15% of revenues. So, within

the total order book that is outstanding, what is the mix of international order book, if you can comment on that?

K Girish Kini: We are now present in more than five regions: APAC, Middle East and Africa, LATAM, US, and UK and Europe. And the revenues are coming from all the five regions, and we are looking at expanding into growth markets. And it will be both for traditional payment card as well as metal. And we clearly see an upside coming from our international business side.

Nitin Aggarwal: Right, sir. But from 15% revenue say in next couple of years, where do you see this number climbing in terms of the overall revenue mix for international?

Mayank Bhotika: So, thank you, Nitin. Excellent question. As you know, as Girish alluded, we're focusing on international business, which is currently 15%; as revenue grows, international business will grow faster. We believe that it should be around 20% to 25% of our total revenue profile moving forward in the near term.

Nitin Aggarwal: Okay. Okay. And will it also be possible to share the EBITDA margin? Because we have been guiding 30% EBITDA margin, which is similar to what we have done in the past. And while the mix of high-growth, high-margin products is increasing, but we are -- so I just want to assess, like, is it a conservative guidance of 30%, or do you see upside risk to this number? Some color between international EBITDA margin and domestic EBITDA margin, so some color around this, if possible, if you can share?

Ramanath Pai: Yes. So Nitin ji, Ramanath here. On the EBITDA margin, specifically between the products, we do not compute, mainly because there are a lot of common infrastructure, common cost, common raw material which we use across the product. So it is not possible for us to compute properly the EBITDA margins for each and every product. But, as we move ahead, as the mix changes, I have already indicated that directionally, metal card and tax stamps are the margin-accretive businesses for us, and also, as the revenue is increasing, that operating leverage is working in our favor.

However, having said that, global geopolitical issues could be there, so considering all those things, we have guided roughly around 30%, but I will leave it to the market to estimate the overall numbers.

Nitin Aggarwal: Sure. And the other question was on the Nigeria business, which has fully come onstream and started, like, delivering onto the revenue lines. So what is the capacity utilization in Nigeria? And likewise, if you can also share the timelines of what other capacities are coming over the coming quarters?

Ramanath Pai: So here, one thing to be noted is that the model which we have is a hub-and-spoke model where majority of the manufacturing is based out of India, which is a common infrastructure altogether. And for plastic cards today for Q1, the capacity utilization roughly between 75% to 80%. Specifically in Nigeria, we are handling personalization of the cards, which is around 60% as we speak today.

Nitin Aggarwal: Okay.

Ramanath Pai: And overall, as the demand increases, we will definitely increase our capacity. That is not a challenge at all.

Nitin Aggarwal: Okay. And the timelines of the upcoming capacities, because we did talk about the other Europe and the US capacity. So any, like, timelines if you can give fresh on where are we on that?

Ramanath Pai: Yes. So multiple things here. One is that we are increasing the overall capacity requirement for our international operations in India for base card manufacture. We are also significantly increasing our capacity into metal cards. And in the developed markets, we will be having a personalization bureau, and each personalization bureau will cost roughly around INR 30 crore for us to establish and start operations there.

And this year, we might add one more international bureau, and in development market, and to cater those volumes, we will increase our capacity here in India as well. And overall, if you see in the IPO

proceeds, INR 238 crore is being earmarked for capacity increase itself, and out of that, roughly around INR 100 crore to INR 120 crore is set for current financial year.

Nitin Aggarwal: Right, right. Got it. Thank you so much, Ramanath, and wish you all the best.

Ramanath Pai: Thank you.

Moderator: Thank you. Next question is from the line of Deepak Agrawal from Param Capital.

Deepak Agrawal: Yes, Yes. Hi. This is Deepak from Param Capital. Congrats, Manipal team, on the listing and a good set of numbers. A couple of questions from my side, just to understand. Last year, how many debit cards were printed in India, and of that, I believe we have shared in the presentation in terms of you have about 31%, 32% market share? So just -- India as a country, how many physical plastic cards were manufactured as an industry?

K Girish Kini: Overall, around 327 million cards were shipped during the last year, and our share would be close to around 31% of that share.

Deepak Agrawal: Okay, so about 11 crore, 12 crore kind of cards, and maybe a realization of about INR 90-odd, so roughly about INR 1,200 crore, INR 1,300 crore of top line is explained by that, right? Is my understanding right?

Mayank Bhotika: Deepak-ji, broadly in that range in terms of volume. In terms of ASP, broadly if you look at it, we would not be able to give the individual ASP for the business, but broadly, if you look at it in terms of volume, that is the number.

Deepak Agrawal: Got it. Total debit cards in force in India would be about 150 crore, 160 crore as an industry, is what I understand, right?

Mayank Bhotika: No. Debit and credit combined, the industry is around 120 crore to 125 crore, out of which debit cards are approximately 107 crore to 110 crore, and credit cards are between 12 crore to 15 crore currently. As we mentioned, when we say we are growing at around 8% to 10%, we are obviously assuming that the credit card market would grow at a higher CAGR vis-a-vis the debit card market.

Deepak Agrawal: Fair enough. Just to understand, in terms of the replacement card market, right, because a very large part of your growth would be the replacement that, as I understand, now it is up to the bank in terms of the expiry of the card, but roughly say 4 years is what the when you send a new card, in 4 years, give or take, a new card has to be issued?

K Girish Kini: Now, we operate in multiple markets, and the renewal cycles are different in different markets. For example, Nigeria, the renewals are in say 3 years, 4 years. US, co-branded cards are just 2 years, 3 years. On an average, I would say close to around 4 to 5 years would be the renewal cycle, Deepak-ji, for the renewals.

Deepak Agrawal: Essentially about, if I have to understand your growth levers for next couple of years, that 120 crore, 125 crore cards and say 5 years, so 25 crore new cards are just by the renewal of what is the existing stock in the system, right, as an industry? Then, obviously, that is one is your natural market share of what you have, and how much more you can grow on the market share side?

K Girish Kini: Typically, one-third of the card base will be re-issued.

Mayank Bhotika: Deepak-ji, you are absolutely right. Which is where we kind of keep highlighting that the domestic plastic card business and the core business has become like an annuity business, which is growing at a certain, let us say, around 8% to 10% CAGR, while the growth businesses and the emerging businesses is basically which is generating the incremental growth going forward. Which is why we have divided the business into core and emerging, as we speak.

Deepak Agrawal: Got it. Interesting. Second question comes in terms of the margin profile. We have been closer to that 30% margin profile in last 3, 4 years. Now, and if you go back a little bit in history, we used to be a

little lower in terms of margins. Can you share with us in terms of what explains this margin expansion? As I understand, we seem to be pretty confident that 30% kind of margin profile should be sustainable in the short to medium?

Ramanath Pai:

Maybe I would like to give answer in twofold here. One is that, historically, if you see, the product has evolved continuously. When we had started the business, it was only a magstripe card, which was sold at around, let us say, single digit in terms of realization. Then, we moved to EMV-based contact cards where the realization increased by 4x.

Then we moved to roughly around 2023, 2024, we moved to dual-interface cards where both contact and contactless features are enabled in the card. Again, the realization doubled from EMV card. There is a continuous technology enhancement which has happened in the card, and similarly, at the same time, our volumes have grown significantly.

If you see FY21 to FY26, our overall production has doubled, right? That operating leverage coupled with the technology enhancement which has happened, that has led to the overall increase in the margin, and also the backward integration which we have done in the entire business.

Now, to benchmark the overall margin profile, if you see the top four payment card manufacturer in the world, their margins are in the range of between 30% to 35%. We strongly believe that the range which we are there currently, it is benchmarked as per our industry standards.

Deepak Agrawal:

Great, got it. Yes, interesting. Also, in terms of you did mention on the capex side, as a part of the IPO proceeds, we have I think INR 240 crore kind of fresh money we raised for capex. From we have roughly about 13 crore, 14 crore card capacity right now. How much is our existing capacity, and after this INR 240 crore capex, where does our card capacity go in next 2 years?

Ramanath Pai:

Basically, we are significantly increasing our capacity into metal. If you see our RHP also, as on 31st March '26, our capacity was 670,000 cards. From here onwards, we want to at least increase it by 3x. Traditional plastic, as on 31st March '26, it was 12 crore cards. But overall requirement for the international market, we will be increasing the capacity. But our first and foremost focus will be on the metal cards as we move ahead.

Deepak Agrawal:

And you are seeing enough visibility from your both large international and domestic clients in terms of order book and all?

K Girish Kini:

We are getting clear visibility from the mature markets like US and LATAM and this market. The growing market, there is a significant demand coming including the domestic market. And also, if you see India today, the debit card platform also has moved on to metal. Large PSUs have started issuing on metal. Large private bank has issued significant or is planning to move significant volumes on metal. We clearly are seeing a transition happening onto the premiumization space in metal.

Deepak Agrawal:

Great, great. In Q1, I see that revenue is up 48% year-on-year and EBITDA is about 44%. Now, as an investor, if I have to see, for this full year, can you help us understand how should we look at growth both in revenue, in EBITDA? Anyway, you are saying we will be closer to this 30% margin profile. This growth should continue? It would slow down, anything you can share on growth? How should we look for FY27 full-year growth?

Mayank Bhotika:

Before we answer that, Deepak-ji, we wanted to go back to the basics and give you an idea about how the business operates. If you look at, the Company is into generally into multi-year contracts, and these are lumpy in nature, which essentially means that once the contract is won by it, these are multi-year contracts which are long-tenure, which leads to lumpy growth in the businesses.

Having said that, obviously, there is visibility in terms of the business, which is why currently we are confident of having this year, we believe that the top line will increase around 30% to 35% vis-a-vis FY26.

In terms of -- if we have to give an estimate of growth for next 2 to 3 years, because the lumpy nature of the business, there could be timing difference, but broadly, if you look at it, we look forward to a potential CAGR growth of around 20% to 25% over a three-year horizon moving forward.

Deepak Agrawal: It would be a really good number if you deliver it, because for a services business with this kind of an ROCE profile, it is exceptional in terms of the operating leverage which will be visible in your numbers in next couple of quarters, right?

Mayank Bhotika: We second you on that, Deepak ji. We are pretty hopeful on that. As you rightly mentioned, in terms of margin sustainability, we believe that the EBITDA growth would be in line with the revenue growth, and as operating leverage starts coming in, there could be a potential increase moving forward.

Deepak Agrawal: Got it. Also on the tax stamp side of the business, can you share a little bit more of, like as of now, for how many states we do, how many states actually use tax stamps, and any pipeline you are seeing or more and more states adapting it? Just to understand, what could be the overall TAM. I understand, one is the entire generic of entire liquor is converted into it, but in foreseeable future, anything you can share, how the pipeline is building up?

K Girish Kini: If you see the domestic market, there are two types of products in the market. One product is, what do you say, holographic features with your paper-based features, and the other tax stamp is a polyester-based tax stamp. Close to around 15, 16 states on a polyester-based tax stamp, and remaining are on the paper-based tax stamp. Due to the plastic ban which has come in where any polyester below 50 micron, the state Governments have started banning this product because it is not collectible.

There is a good opportunity, with a lot of transition happening from polyester to paper. Today, we are the front-runners offering this today, along with high-security features to the market. And globally, African continents and especially Middle East and these markets, we clearly see significant opportunity coming in the tax stamp space.

Deepak Agrawal: As of now, how many states in India are actually done with the contract in terms of how many actually use this paper stamps as of now in number of states?

K Girish Kini: There are close to four to five states operating on the paper-based tax stamp. With our proprietary technology of intaglio, we are the only ones offering this today in the country. There is a good amount of traction which we are getting from the polyester-based states. Yes.

Mayank Bhotika: So, Deepak ji, again going to the, because it is a maiden call, again going back to the fundamentals, if you look at, these are multi-year, long-term, typically monopolistic or let us say bilateral contracts, which are long-term in nature. The idea is once you start having a state, it gives us lumpy business. It gives us annuity business which are long-tenure. Typically, let us say if you look at states, typically, in a cycle of 5 years, three to four states come for renewal. The endeavor is, as we start moving forward, to start gaining states year-on-year when the renewal cycle starts coming in.

Deepak Agrawal: And the margin profile for this would be it is closer to your existing business? How should we look at margin profile? Anything you can share on that?

Ramanath Pai: Again, we do not have exact numbers computed for this segment. But going through the overall high-level numbers, it is more or less in line with the blended numbers, but slightly, I think, elevated to the existing numbers.

Deepak Agrawal: Thank you.

Moderator: The next question is from the line of Abhay Joshi from Baroda BNP Paribas Mutual Fund.

Abhay Joshi: Hi, team, and congratulations on the great set of results. A couple of questions. First will be on this metal card business. Any colors in terms of how much countries we are at present, and what are the order pipeline building in terms of, let us say, is it highly concentrated to US versus Africa?

- K Girish Kini:** Today, we are in five regions. If you see the five regions, we are addressing multiple countries in the APAC region. Yes, and we also have significant traction coming up in the developed markets like UK, Europe. US being the largest market, we have our sales force deployed in the market. It is a very mature market for metal. We see very good traction coming for metal even from this market. India, obviously, we are issuing to all the top four issuers, and there is a good traction coming on metal.
- And globally, there are limited players offering metal, and the reception is very high when we are meeting customers in the global market. It is giving us a significant entry in terms of making entry into new accounts in all the global markets.
- Abhay Joshi:** Okay. Fair enough. The second question is on this tax stamps and all. See, what I understand is a more of a technological moat rather than a product. Any use cases similar kind of using the same technology we can have different kind of product and can pitch onto the Government side? Just on the product pipeline with the similar technology, are we building some different products and which can have a different use cases as well?
- K Girish Kini:** In the Government domain, we are looking at tobacco and the alcohol, but in the retail, we are looking at a lot of FMCG products as well as in the automobile space, we are looking at spare parts and other things. We clearly are seeing traction coming in even in this newer areas.
- Mayank Bhotika:** As you rightly asked, basically, if we have to look at the IoT and the solutions, there are two solutions which we are speaking about. One is the tax stamp, and second is the RFID foray which we, as Girish alluded, which we forayed last year. Within tax stamps, we have proprietary tech and where we are one of the leading private players in India within that particular technology and offerings. And now, we plan to go global. In India, currently the usage is for alcohol, as well as liquor protection. But going forward, globally, we see use cases which is into tobacco and pharma.
- Coming to the RFID side, currently, we have basically targeted retail, but we believe there is opportunities both in India and globally into apparel exports, high-end jewelry, as well as defense and pharma as we start building this business in the near future.
- Abhay Joshi:** Sure. The last question is on this COGS. You mentioned that there is an increase in the raw material prices as well as the depreciation of currency. Going forward also for this quarter, we are expecting the COGS to expand? Because if you look at on the Q-o-Q basis, it has expanded sharply. Are we expecting similar level of trajectory going towards the Q2, or it will normalize in Q2?
- Ramanath Pai:** Overall, forex is in a similar range. Also, if you see the overall geopolitical tensions, it has not yet settled down properly. Overall, if you see, Q2 could be in the similar range, but as we move ahead, we will have to see how it unfolds.
- Abhay Joshi:** Just to clarify, in similar range means - we are talking about in percentage of revenue, right?
- Ramanath Pai:** Yes, correct.
- Abhay Joshi:** Okay. Fair enough. That is it from my side, and thank you for answering my question, and congratulations again to the team. Thank you so much.
- Ramanath Pai:** Thank you.
- Moderator:** Thank you. Next question is from the line of Pinaki Banerjee from AUM Capital Market Private Ltd.
- Pinaki Banerjee:** Good evening, sir, and thanks for the opportunity. Actually, if you look at your revenue share, your share of credit cards was about 60% in FY24, which came down to 58%, and now in FY26, it is 57%. So, sir, can we interpret that you are going to look forward into diversification into other services also from your core business?
- Ramanath Pai:** So, the share of emerging should increase as we move ahead.

- Pinaki Banerjee:** Sir, regarding your exports, which are now about 15% of your revenues, so any scope of increasing that further?
- Ramanath Pai:** Yes. As we move ahead, we believe that within the next two to three years, it could be 20% to 25% of the revenue.
- Moderator:** The next question is from the line of Ansuman Deb from ICICI Securities Ltd.
- Ansuman Deb:** Congratulations on a great set of numbers. My question is -- was on the cost front. In terms of the global business, with all the rising crude prices and other cost-related matrices, how to look at the possible change in costs over the next, you know, considering the geopolitical environment, how confident are we to -- able to maintain the costs as such?
- Ramanath Pai:** Thank you for that question, Ansuman. So, overall, if you see this year itself in the Q1, there was a significant impact because of two factors. One is the forex impact, which was average USD was INR 86 compared to USD last year, which is today it is around INR 95 to INR 95 – INR 96, that is one aspect.
- Second is that overall crude, be it crude prices or logistics prices, because of the global unrest which has happened, there is a significant impact which has happened in our business as well, okay?
- However, to negate that, today, we have significant operating leverage which is working in our favor, as well as our overall share of emerging businesses are increasing, which is slightly margin-accretive, that is all working in our favor. Having said that, the cost angles which are currently external factors, we may not be able to exactly predict what might happen in future. But as the contracts which are with the PSU or private banks today, we have force majeure clauses. If there are any significant impact in the process costs, then definitely, we can go back and renegotiate the prices.
- Mayank Bhotika:** So, as further adding to Ramanath, as we had mentioned, the proportion of exports as a function of the total revenue profile, exports are increasing significantly. So, that obviously gives us natural hedge. And the Company has -- also has a Board-approved forex policy, which insulates us to any adverse -- significant adverse effect on the rupee depreciation in terms of since we become -- we are a net importer currently.
- Ansuman Deb:** Understood. Net importer in the sense, your revenue provides a hedge, I understand. But so that is the hedge, right? You do not have a separate forex hedging program, right?
- Mayank Bhotika:** No. We have a separate forex hedging policy where, considering the timing difference, we hedge the net exposure. Imports are predominantly for raw material, particularly chips, while exports are through revenue generation by our global subsidiaries. So, net of that is what we basically hedge through the Board-approved forex policy.
- Ansuman Deb:** Oh, understood. No, that is very helpful. And to be on - just to clarify a little bit more on this part, in the sense, if, for example, the rupee settles down or appreciates a little bit, or maybe settle down, the current costs -- the current quarter will kind of - is it has scope to improve further if the, you know, geopolitical situation kind of normalizes, or you think there will be offsetting factors to kind of balance as it is today?
- Mayank Bhotika:** So, Ansuman, to be frank, a very tempting question. But if you ask us honestly, we are in the business of manufacturing and issuing cards and other global solutions. So, we do not speculate vis-a-vis, which is where we have a Board-approved policy, and we ensure that meticulously the policy is adequately adhered, and hedges are taken accordingly.
- Ansuman Deb:** Great. No, I understand. Thanks a lot. Thank you. I will get back in the queue.
- Moderator:** Thank you. Next question is from the line of Mohit Sukhani from IIFL Capital.
- Mohit Sukhani:** First of all, congratulations for the great set of numbers. And a question from my side is that you have provided the revenue breakup into core and emerging categories. So, can you further break these

core and emerging categories into metal cards, RFIDs, and other segments specifically in terms of numbers for first quarter current year as well as for the last years?

Ramanath Pai: Yes. Thank you very much for that question. So, see, to give you a background on this, statutorily, we are not required to provide any further breakup on the segment reporting. Just for better understanding of the business, we have been bifurcating the business into core and emerging businesses.

And these emerging businesses are all the new growth engines of the Company, and which includes metal card, international revenue, tax stamps, and IoT solutions. But further drill down into the revenues, at this point of time, it is not possible. Maybe at an appropriate time, we will provide that. But of course, the international business breakup, anyway, we have provided.

Mohit Sukhani: Okay, great. Another question from my side is, like, in terms of global subsidiaries, like currently we are having four subsidiaries outside India. So are there any plans to acquire any other companies or open any new subsidiaries for capacity expansion or any other purposes?

Mayank Bhotika: So, excellent question, Mohit. Just to give you, again going back to the basics, how our thought process is in terms of cash utilization also generated through internal accruals. The idea is we would first want to deploy capital for growth capex as we have announced from the IPO proceeds, as well as going forward. Then, as you would appreciate, since the revenue base is increasing, which will entail a higher working capital, so we would want to utilize it for that.

We also want to be a dividend-paying Company. Currently, the Board is deliberating what should be the dividend policy, but we can -- we definitely want to be a dividend-paying Company in the future. And once all of these, you can say, uses of capital is there, if there is a possible, the Company is open to looking at inorganic growth also. So if there are any acquisitions which are worthwhile within our segment, the Company will be open to it, and this is how we think in terms of capital allocation going forward.

Mohit Sukhani: Okay. And on the dividend, can we expect a dividend in this financial year -- for this financial year?

Mayank Bhotika: So, Mohit, as you would appreciate, we have just got listed, and because of which, the Board is currently deliberating on the same. We would come back subsequently in a few quarters on how we would be looking towards dividend. But we want to be a dividend-paying company moving forward.

Mohit Sukhani: Okay, okay, great. Thank you.

Ramanath Pai: Thank you.

Moderator: Thank you. Next question is from the line of Nitin Jain from Fair Value Equity Advisory.

Nitin Jain: Yes. Thank you for the opportunity. So my question is what is your growth and margin guidance for the next 2 to 3 years? And which businesses specifically you think will be the growth drivers in that time period?

Mayank Bhotika: So, thank you, Nitin, for that question. See, basically, as we had kind of mentioned earlier in the call, we believe that Company should grow around 30% to 35% vis-a-vis last year. And because, given the lumpy nature and multi-year contracts, we believe that the Company should grow at around 20% to 25% potentially from a 3-year CAGR perspective. But it will be difficult to give individual guidance year-on-year at this point, given the lumpy nature and contracts which come.

In terms of margin profile, we believe that the margin - the EBITDA would be in line with the top-line growth. As operating leverage starts coming into business because of higher revenue base, there could be some margin expansion, but that is something which we will come back in the, you can say, coming quarters.

From an overall perspective, we had already mentioned that some of our emerging businesses, specifically into metals as well as the tax stamp business, those are further - those are high-growth businesses, which are more margin-accretive than the core business.

Nitin Jain: Right. And they will be the revenue growth drivers as well, is it, going forward, these emerging businesses?

Ramanath Pai: Yes. See, overall, again, if you have gone through the presentation, we have divided the entire business into two: core business and the emerging businesses. While core is basically the traditional plastic cards, bundled services, and the digital automation services which we are providing today, the emerging businesses are basically metal cards, international businesses, tax stamps, and IoT solutions, which are basically the growth engines of the Company. We believe that as we move ahead, there will be significant growth coming from these emerging business.

Nitin Jain: Great. That is very helpful. My last question is, what are your margins on the export business? Are they significantly different from the domestic margin?

Ramanath Pai: At this point of time, we do not have exact margin breakup between the product, mainly because majority of our infrastructure or costs are common in nature. However, if you see our entire product portfolio, metal card and tax stamps are the slightly margin-accretive businesses compared to others.

Nitin Jain: Thank you very much. That is all from my side.

Moderator: Thank you. Next question is from the line of Yash Shah from Ekvity Investment Managers Private Ltd. Please go ahead.

Yash Shah: Hello. Yes. Firstly, congratulations on a great set of numbers. My first question is that we are currently shown in the presentation that we have close to 60% of customer concentration. Top 10 customers contributing to 60% of our revenue. Going forward in the next 18 to 24 months, what are the plans to reduce this concentration, considering that we have relationships and partnerships with a number of entities?

K Girish Kini: If you see our international business, in the current quarter, we have added more than 10-plus clients from multiple regions. And we strongly believe that we will be adding more and more customer base from multiple regions, and the concentration risk will significantly reduce in terms of concentration from customers.

Ramanath Pai: And to second Girish, sir, the other thing is that though in our top 10 customers we say that it is 58% revenue concentration, but if you see the products which we serve within the customers, right, let us say a bank, we will be supplying the card, we could be supplying kiosk, we could be supplying metal cards, or we could be supplying logistics or checkbooks solutions. So in a manner, concentration risk has already been taken care of, but further as we move ahead, as we increase our multiple regions, multiple products, it will be further diluted.

Yash Shah: Okay, fair enough. My second question is, is there any cyclicalities in the business? What quarter is a strong-performing quarter for us, considering there is lumpiness in the business?

Ramanath Pai: Very good question. So again, as we said earlier, majority of our businesses are large contracts, and generally, there will be step-up increase or the growth which has happened, okay? Whenever we add one more customer, let us say it could be a very large customer, and at that point of time, there could be sudden increase in the revenue coming up. But having said that, overall, if you ask me about the card issuances, yes, there could be some seasonality within the quarters.

It all depends on the issuance program by the issuing partners like banks or NBFCs or the fintechs. But as we move ahead, as we are increasing our overall market, we are now into international market, there the cyclicalities are completely different. So, we will have to wait and watch how it unfolds over next two to three years.

- Yash Shah:** Okay. Thank you. That is it from my end.
- Moderator:** Thank you. Next question is from the line of Sunil Jain from Nirmal Bang.
- Sunil Jain:** Sir, two, three questions. First is about the gross margin. You said that it will be impacted in the near term, but as the things normalize or you start passing on the cost to your customer, can it go back to your earlier margin of 63%, 64%, say after three, six months?
- Ramanath Pai:** Thank you very much for that question. We are not able to predict exactly how it unfolds today, but exactly see, these are all industry-wide situations which are there currently. But as we move ahead, the thing is that overall, if you see our overall market model, right?
- There are significant tech changes which is happening in the business. When we had started the business, it was just a magstripe card, then we moved on to EMV-based contact card, then it is a dual-interface card. Now we are envisaging recycled PVC because of the ESG mandates which the banks want.
- And let us say in 2030 or 2032, there is a industry-wide news that it will be moved towards quantum cryptography, right? So the entire dynamics are changing as we move ahead, and overall, whenever there is a tech change which is coming in, there is a significant margin increase which is coming in the business which we have seen over the, over last 10 years.
- But having said that, while margin there is some pressure because of the geopolitical issues, but if you see our overall EBITDA margins, it has not impacted, mainly because of the operating leverage which we are getting today, and definitely, as the revenue increases, these kind of a operating leverage will work in our favor as well.
- Sunil Jain:** So basically, I am not able to get why how you are getting such a good pricing power in your business, because of less competitiveness or less competition, or customer cannot shift to some other supplier? What is the reason?
- K Girish Kini:** If you see our purchases, the top three or four major items which we purchase, we procure from multiple geographies. And we are all -- we fall in the Tier 1 category, and we have significant leverage in terms of the prices being offered to other players, and with the scale of purchases we do here in India and based on the volumes we do, we get a volume-based kind of a discount on all our purchases and we leverage this on our purchases.
- Sunil Jain:** Okay. Because of the size, you meant to say you are getting some advantage. Sir, my second question relate to -- Yes, my second question relate to your core business, which has grown by around 22% in the current quarter. Is there any one-off or any new contract is started because of that it has moved up by 22%? And whether this can sustained in the coming period?
- Ramanath Pai:** Very good question. I think see, one thing we have to note is that there was a base effect which has happened in FY26. FY27, as we are in Q1, the kind of issuances happened are at regularized basis, and also we have added couple of contracts, again multi-year contracts, which should be there for at least two to three years as we move ahead. Overall, the number which we have shown in Q1 for FY27, these are at normalized levels.
- K Girish Kini:** And we have today multiple segments which we operate in our emerging businesses and in within the core business. If there is a shortfall in one business, we cover it up with the other businesses. There is a clear Plan A, Plan B kind of a planning in terms of ensuring that revenues are met.
- Mayank Bhotika:** Also Sunil, we also wanted to give you a color, as you rightly mentioned, what is basically giving us this margins, one have to again go back to the basics. See this is a highly regulated business. There is a lot of certification which is required, and there are high entry barriers.
- As you would appreciate, there is data sovereignty, data security becomes a key theme, because of which there is high entry barriers in the business, and banks also want to typically, I would say within

the entire customer profile, either these are bilateral or oligopolistic or monopolistic contracts. They typically work with two, three vendors, which is and they are also wanting continuity and supply from vendors reputed vendors globally.

Globally also, if you look at, there are around, as we mentioned, as Girish alluded in the, in his opening remarks, around top 10 you can say players hold around 70% of the market. In India, again it is an oligopolistic market, which is why it becomes difficult, and which these are the moats which helps for the margin which you see in the business.

Sunil Jain: Great. Second question--third question is related to your emerging business, and export is one of the part of that. So, we can see that export has grown substantially in this quarter. But even if we exclude export, the other two business like what I understand is metal card and the RFID or stamp card so that has also shown good growth of almost around 60%. So any, which one has shown good growth and or both the business had shown similar type of growth?

Ramanath Pai: So, overall, again, as we said earlier, we will not be able to give exact breakup of the multiple products within a business segment. However, if you see again our presentation, we have added one large customer for tax stamp business in the Q1, which is also giving us the incremental revenue.

Sunil Jain: Okay. The customer which you added in Q1, that will keep on giving revenue for the coming whole year until the base.

K Girish Kini: If you see our tax stamp business, these are all multi-year kind of contracts and long-term in nature with clear visibility. Typically, the new contract which we have won is five-plus-three years kind of a contract, which is there for eight years. There are similar contracts which we are targeting both in domestic and export market for tax stamp. Even in metal, all the top-notch banks which we work in domestic as well as global market, we have long-term multi-year contract signed, and based on their demand, every month, we get clear projections and we deliver this in the metal card space.

Sunil Jain: Okay, okay. Great. Just last data question. If you can tell me how much is capex planned for FY27 and '28?

Ramanath Pai: Overall, out of the issue proceeds, INR 238 crore is earmarked for the capex, which should be spent over next three years. Specifically for current financial year, we are looking at deploying roughly around INR 100 to INR 120 crore.

Sunil Jain: Okay. Great, sir. Thank you very much.

Moderator: Thank you. Next question is from the line of Rajesh Vora from Jainmay Venture Advisors

Rajesh Vora: Yes. Good evening, gentlemen. Congrats on successful IPO and great set of numbers. Your Company has a pretty interesting business model. If you could care to explain what is the competitive advantage that your Company enjoys vis-a-vis other competitors that gives you such a high market share? Can a startup or a new Company, what are the barriers to entry for a new entrant in this space would be very good to understand?

K Girish Kini: This is a highly regulated business, and you need to have certifications from all the global payment schemes. Every year, the facilities are audited, and you cannot have any major non-conformance. You need to get even references from the top banks and top customers. Only such kind of, what do you say, partners or vendors are capable into addressing this kind of segments.

Plus, data also is a very, very sensitive element in the business. We have to keep on investing in the IT infrastructure on a continuous basis, and we are monitored and sensitized, monitored by the RBI and the regulatory on a continuous basis, as it is, as this is a very sensitive kind of an operation. Entry barriers are extremely high in this business.

Rajesh Vora: Very good. That is very useful. Who is the closest competitor of your Company in India and globally, and what would their market share be?

- Mayank Bhotika:** Rajesh ji, if you look at it, see, this is a very consolidated market. So, as we mentioned, we will have -- we have different competition for different business lines within the business. There is -- you cannot identify a single competitor across our business lines, because as you would understand, the business is into payment solutions, identity, traceability, and security solutions. So, within the payment cards, if you look at it, there are global listed multinationals who are there.
- Top 10 players hold 71%. If you look at you can say the identity players, there are a different set of global competitors. In India also, we have competitors again into varied business segments. But broadly, if you look at it, because the entry barrier is so high, we would be competing with two, three, four large vendors in each business segment in India, as well as globally.
- Rajesh Vora:** Can you give couple of names there?
- Mayank Bhotika:** Sir, we will abstain from giving any particular name.
- Rajesh Vora:** No problem. In your opening remarks, you explained very nicely about metal card where your Company is building intellectual property and having a lot of patents. So, could you give little more granular insight into how this, you know, intellectual property is being built, and, of course, if you build certain intellectual property, there is a great pricing power that comes along with it? So, it will be very nice to understand that.
- K Girish Kini:** So, globally, there are a handful of people manufacturing metal cards, maybe three or four. And people have registered patents for the process of manufacturing the card. And typically, if you see the entire ecosystem of the card, it was built for plastic. And with the metal coming in -- into the entire ecosystem creates a completely different kind of a situation, and these cards are typically valid for say 5 years and 5 years to 7 years. And when the cards are used, it has to consistently across the global market where it is being used by the customers.
- And the important thing here is in terms of the process of manufacturing, the patents are typically vetted against all the existing patents which are there in different markets, and then the patents are granted. And only then you are kind of allowed to manufacture the card. So, without a proper patent and proper grant, there is a possibility that the competition might go and file a suit against the manufacturers.
- Rajesh Vora:** Interesting. And is there a -- you gave the idea of number of cards globally on the metal card in India, 64 million globally, 35 million in the US. So, is there a possibility that your Company can win a big customer who is issuing this metal card, and it can change the whole trajectory of your metal card business over the next 3 years, 4 years? Is that possibility?
- Mayank Bhotika:** Rajesh ji, in India, we are already supplying to all the large private banks, as Girish alluded, the Top 4 banks in India. In fact, we have been at the forefront of launching it -- whether it is ICICI Metal Black, Diners, SBI Aurum. And now, globally, as we mentioned, there are limited players. So, as we move forward, global banks are also looking for diversification in terms of vendors, as well as given the low-cost manufacturing we have in India, there are propositions where we can look at global exports within metals. But those are discussions which are currently on. As we move forward, if there are material contracts, we would definitely come back and keep apprising in our quarterly calls and our wins for the quarters.
- Rajesh Vora:** Sure. That is very useful. Last question from my side. Would you care to give what emerging segment is growing very rapidly? After 3 years, 4 years, 5 years, can it be -- can it reverse the current composition? Is there a potential to reverse the current composition?
- Mayank Bhotika:** No, sir. Excellent question. I think, Rajesh ji, we will have to again give you a basics about the Company. The Company has been at the forefront and the bellwether in terms of innovation driven by R&D. So, as Girish mentioned in his opening remarks that we were the first one to launch magstripe, RuPay cards with the interface of EMV as well as dual interface, and now we do rPVC, as well as quantum crypto. So, the Company has been at the forefront of innovations across cards and all our sectors.

So, as you rightly put in, 3 years to 4 years, we believe there could be other form factors if it can come in, but the company basically starts seeding all of those in advance. And you would see that this is an innovative company which comes at the helm of technology, and so would the revenue profiles change going forward.

- Rajesh Vora:** Wonderful. Thank you so much for your answers, and all the very best.
- K Girish Kini:** Thanks.
- Moderator:** Thank you. Next question is from the line of Utkarsh Somaiya from Eiko Quantum Solutions.
- Utkarsh Somaiya:** Thank you for the opportunity. Hi. I just wanted to understand more about the lumpiness in your business. Can you please help me understand that?
- Mayank Bhotika:** Interesting question, Utkarsh. Basically, what we mean by lumpiness is given the global requirements, as well as India requirements, these are multi-year, large-value contracts. Now once -- because there are high entry barriers and long gestations to get contracts, if the contract comes, these are typically multi-year, high-value contracts. See, that is what we mean by lumpiness.
- Once you have the contract -- once you have won the contract, the business is sequentially growing depending on the overall volumes. When we mean -- so what we mean alluded by lumpiness is to basically win contracts which are long-term, large-value contracts.
- Utkarsh Somaiya:** Okay. So is it -- so, quarter-to-quarter volumes, are they dependent on consumption of cards, and that is how orders are placed with you by banks, or how does the ordering work?
- K Girish Kini:** We have rate contracts for multi-years with the banks, and there is a clear visibility given by the banks quarter-on-quarter, and the purchase orders are released by the banks for the requirement.
- Utkarsh Somaiya:** Okay. So, we should not expect much variability in your revenue numbers?
- K Girish Kini:** Yes.
- Mayank Bhotika:** So, basically, as we said, these are long contracts, which means there is visibility. What we mean is to basic -- by lumpiness, getting new contracts. See, two broad principles, broadly if you -- as we mentioned, the average validity of a card, this is only the payment card business which we are speaking, is around 4 to 5 years, and around 65% to 70% is renewal, and rest is basically new issuances.
- So, given that, there is renewal demand both on as cards expire and it comes for renewal, as well as new cards which get issued. What we mean by lumpiness is this is the demand which is already forecasted.
- What we mean by new lumpy business is whether it is, let us say, the audit -- the tax stamp business or as we are targeting new banks globally for our payment card solutions and other verticals, those are contracts which take a particular time, because as we mentioned, there are high entry barriers, there are development works and gestation which has to be factored in. Once you get that -- those incremental new contracts, then those become long-term and multi-year contracts for us.
- Utkarsh Somaiya:** Okay. So, so far, the growth guidance of 25% for the next 3 years that you have given is basis the contracts of the order book you already have in hand. Is that right?
- Mayank Bhotika:** So, as you rightly said, we have certain -- see, this -- the Company has been growing into multiple, you can say, segments, both -- so, which is where there are contracts which are already in hand, and there are contracts where we have a very high visibility. Once those contracts are materialized, that basically adds to the revenue profile, and that becomes regular quarter-on-quarter revenue moving forward.
- Utkarsh Somaiya:** Okay. Just one last question. Do you see yourself being an INR 500 crore PAT company by FY30?

Mayank Bhotika: So, Utkarsh, we cannot -- see, we have given you clarity multiple times on the call that we believe that this year could be a 30% to 35% revenue growth. From a 3-year perspective, the Company could grow around 20% to 25% CAGR. And the bottom-line growth should be in line with the revenue growth. If there is operating leverage which kicks in, that will be further margin-accretive.

Utkarsh Somaiya: Okay. Thank you so much, and best of luck.

Mayank Bhotika: Thank you.

Moderator: Thank you very much. I now hand the conference over to the management for closing comments.

K Girish Kini: Thank you all who have joined on the call and thanks for joining and we will continuously work on ensuring that we deliver the Q-on-Q numbers and thanks for joining the call. Thank you.

Moderator: Thank you very much. On behalf of Manipal Payments and Identity Solutions Limited, that concludes today's meeting. Thank you all for joining us and you may now disconnect. Thank you.

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