



WSFx Global Pay Limited
Formerly known as "Wall Street Finance Ltd."

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Opp. PVR Cinema, Chakala,
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CIN No. L99999MH1986PLC039660

Date: 7th November 2023

To,
The Manager,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Subject: Disclosure u/r 30 of SEBI (Listing Obligation & Disclosure Requirement)
Regulations 2015- Transcript of earning conference call

Scrip ID: WSFX
Scrip Code: 511147

Dear Sir/ Madam,

We are enclosing the copy of transcript of the Earnings Conference Call held on Monday, 6th November, 2023 on the performance update for the Quarter ended 30 September, 2023.

The same is also available on the website of the Company www.wsfx.in.

You are requested to take the same on your record.

Thanking You,

Yours faithfully,

For WSFx Global Pay Limited)
(Formerly known as Wall Street Finance Limited)

Manisha Lakhotia
Company Secretary and Compliance Officer

Encl: As above



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“WSFx Global Pay Limited

Investor Conference Call”

November 06, 2023



**MANAGEMENT: MR. SRIKRISHNA NARASIMHAN – CHIEF EXECUTIVE
OFFICER AND WHOLE TIME DIRECTOR – WSFX
GLOBAL PAY LIMITED**

**MS. POOJA MISHRA – CHIEF FINANCIAL OFFICER –
WSFX GLOBAL PAY LIMITED**



*WSFx Global Pay Limited
November 06, 2023*

Moderator:

Ladies and gentlemen, good evening and welcome to the Investor Conference Call of WSFx Global Pay Limited, formerly known as the Wall Street Finance Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that this conference is being recorded. Material and information in this conference call is general background about the company's activity as at the date of this presentation. Information in this presentation should not be considered as advice or recommendation to investors or potential investors in relation to holding, purchasing, or selling securities and does not take into account your particular investment objectives, financial situation or needs.

This information is given in summary form and does not purport to be complete. I now hand the conference over to Mr. N. Srikrishna, CEO and Whole Time Director and Ms. Pooja Mishra, Chief Financial Officer. Thank you and over to you all.

Srikrishna Narasimhan:

Thank you. Good evening to everyone. It's a pleasure to connect once again with our shareholders and investors. This is Srikrishna here, the CEO and Whole Time Director along with the company's CFO, Pooja Mishra.

Pooja Mishra:

Good evening all.

Srikrishna Narasimhan:

We would like to take you through this small presentation and give you an update on WSFx Global Pay's Q2 performance and where we are headed strategically. So now we will go to the presentation which is already uploaded in the company's website as well as the BSE website. So going to the presentation, we give a brief introduction about the company for people who have joined newly for this call. WSFx Global Pay is a RBI authorized dealer, Category 2, with around 30 plus years experience. It is listed in BSE and is an ISO 27001 certified company.

From a product perspective, we deal in foreign currency, prepaid cards, and cross-border remittances. This we do through an omni-channel network of branches and through digital platforms. We have a pan-India network of 19 branches and we have a 290 plus strong team. We are in partnership with multiple banks, banks like Yes Bank, IndusInd Bank, HDFC Bank, IDFC Bank, RBL Bank, ICICI Bank, Thomas Cook, etcetera.

Through these tie-ups, we process our cross-border remittance payments and also issue our forex cards. We also like to talk about our flagship product, WSFx Smart Currency Card, which is a co-branded Visa prepaid forex card, which is multi-currency and INR wallet and has a smart companion app.

From a digital solutions perspective, we have multiple products and solutions catering to every segment, be it the corporate, agent partner or the retail customer. The company has around 1000 plus customers, both in terms of B2B agent network and also corporate relationships for the business travel. That includes companies like E&Y, Tech Mahindra, Siemens, L&T Infotech, Titan, HDFC Credit etcetera.



*WSFx Global Pay Limited
November 06, 2023*

Now we quickly cover the digital platform and solutions, which we have. This has been a strategic focus of the company for the last five years and during COVID, we were able to roll out most of the solutions. As I already talked about our flagship product, WSFx Smart Currency Card, which was launched in 2019, today we have seen very good growth and we have around 25,000 plus users of the Smart Currency Card.

Then we talk about our WSFx Smart Corporate Platform, which is an advanced solution, which helps the corporate in terms of their forex ordering. It has multiple hierarchies, multiple workflows and we have a lot of large corporates which use this solution. Today around 40% of our corporate business is processed through this platform. We have our specialized B2B solution, WSFx Smart Agent Platform, which provides multiple ways in which we can connect to the customers. It is a powerful lead management and order processing solution. Through which we can handle the forex or the cross-border remittances of our referral partners, be it a travel agent, be it an education consultant or loan provider.

Along with our agent platform, we have WSFx Global Pay F-Pass platform, which has been launched a quarter back. This platform allows an online aggregator to provide forex as a service through his online proposition, wherein he can plug and play forex, which will be handled by WSFx Global Pay. He can also send forex link like a payment link and we have integrated a seamless customer onboarding through video KYC and transaction processing through digital A2 form submission along with the integrated payment gateway, through which the customer can make the payment.

This integration of customer onboarding and transaction processing with complete digital KYC and digital A2 form ensures a seamless contactless solution, both from a B2B agent perspective who wants to offer forex and for the customer also. This gives a seamless experience with high visibility.

We talk about our Global Pay app, which is our retail app and portal for the customer. This provides not only the card management for our smart currency card, but also allows the customer to process cross-border remittances. We have found good acceptance for all our platforms.

In fact, we feel our growth pivot will be through these platforms. A few things which are very important for us is trust, transparency, compliance, convenience, and I feel these platforms allow us to bring forth those values and ensure that we get a good customer experience.

Now coming back to our Q2 because we have talked about the company's product services, about the company, we talk of the highlights for our Q2. So it has been a very positive quarter for us. The market outlook has been pretty positive. We have seen phenomenal growth in students study abroad segment. Leisure has picked up with Indian's traveling. Corporate business has also started picking up substantially, getting over the COVID blues. So overall, you can say the market has been positive. International travel and forex is looking up.

So about Wall Street, we have been able to sustain our growth. We have been profitable for the last six quarters. Our GTO has surpassed pre-COVID levels with a GTO of INR1,730 crores.



*WSFx Global Pay Limited
November 06, 2023*

For Q2 and for the half year, it's around INR2,457 crores. If you look at last year, we had done INR2,960 crores for the whole year. So 80% of last year's business has been achieved by the first six months in this current financial year, which shows the company has grown.

And what I would like to point out is, today we are focused more on retail, corporate. Earlier, pre-COVID, we were a company where at least 30% of our revenues used to come from wholesale. Now we have moved away from wholesale two years back and purely as a retail, forex, and cross-border remittance with digital solutions, we have been able to surpass our pre-COVID numbers.

So from a PBT, we were at INR2.45 crores profit. We have grown significantly from Q1, where we could only book a profit of INR11.34 lakhs. And in comparison to Q2, we were at INR93.36 lakhs in Q2 of last year. So Q2 of this year, the company has grown substantially. In this quarter, we also applied for opening new branches to Reserve Bank of India. And we got the approval, and we opened branches in Surat, Anand, and Baroda, taking our network from 16 to 19 branches. All these branches are operational and are profitable.

Overall, from a business perspective, we saw fantastic growth in the students. They had onboarded a lot of agent partners. We have been able to onboard large corporates. And we have seen phenomenal growth in both corporate and our students' business.

So this is a quarter where we also saw an all-time high in terms of the business volumes for prepaid cards and also for university fee payments for students. So from a digital perspective, as of today, we have around 21,000-plus customers who use our app. And we also have good penetration in the corporate and agent platform. We have also been able to automate a lot of processes. And as I said, Wall Street is truly an omni-channel tech platform for our customers.

So going to the next slide, this gives you a comparison, which I already mentioned. You could see when we compare Q2 to Q1, we have grown 86% in terms of revenue, in terms of PAT, from INR11 lakhs, we have grown to INR2.44 crores, which is significant. Obviously, Q2 is always a peak season, but we have done exceedingly well in Q2.

When we compare Q2 of current year with Q2 of last year, you can see we have grown 63% in terms of revenue. And from INR1.03 crores of PAT in 2020-23 for this Q2, now we are at INR2.44 crores, which is around 136% growth. From a half-year perspective, we have done revenue from operations of INR34.72 crores, compared to last year, which was INR22.17, same period, 57% growth. At the PAT level, we have shown 479% growth, which is last year we were at INR44.11 lakhs, today we are at INR2.55 crores. So, it's been overall positive quarter.

Next slide talks about the overall numbers, which gives you an idea on the revenue, costs, direct costs, selling generally. We wanted to give you a flavor of how quarter-on-quarter the movement has been. So, what I would like to highlight in this slide is, you can see last six quarters, we are profitable and our profits are growing, which is good, because we feel now the business has stabilized, and Wall Street also has been able to create a niche for itself in the students and corporate segment.



*WSFx Global Pay Limited
November 06, 2023*

So, going to the next slide. Next slide gives you again a graphical interpretation of what I talked about. You can see the growth, and if you can see, the growth has been nearly three years.

Moderator:

Ladies and gentlemen, thank you for patiently holding. We now have the lines of the management reconnected. Over to you, sir.

Srikrishna Narasimhan:

Thank you. I think we suddenly got disconnected. Thanks for waiting. So, we come back to the comparative chart, Q-on-Q for revenue and expense. You can see we have grown 3x in terms of gross revenues, and nearly 4x in terms of net revenues. This is a graphical interpretation, and of course, selling, and general expenses have also gone up, because now we have expanded our network and we have to invest on manpower and also on marketing.

Going to the next slide. So, this is a comparison. This is a kind of a chart we gave from the year we totally focused only on forex. You can now see from the base year, we are at nearly 1,000% growth, which shows that -- we started in a very small way in 2018, where we hardly had a \$1million dollar of costs and a couple of million dollars of remittance. Today, we have gone substantially, and this clearly shows the growth we have shown, both in terms of the prepaid costs and outward remittance, which are the priority products for us, and also the customer segments like students and corporates, which are priority customer segments for us. So, this just gives you a feel of it.

Coming back to the last slide. This again is the financial results which we have declared, where we have declared a PBT of around INR2.44 crores, and for the half year, a PBT of INR2.55 crores.

So, coming to the last slide. This is what we had told in our AGM also. We are now in the growth stage -- from survival to growth, we have moved to growth to profitability. So, we remain committed to our vision of being a forex tech company. We want to be asset light. We want to also ensure scalability and be efficient, and we feel the company's digital proposition will ensure that, besides the branch network which we have, we think we have a right mix of branches and digital solutions, where we can be asset light and improve our profitability substantially.

So, as you can see, we have a corporate platform which is doing well, has been well accepted in the market. Our agent platform and F-PaaS solution is also getting accepted well in the market. As far as cards are concerned, we are doing very well in smart currency card. We are working on multiple solutions for students, which will keep the investors updated, as and whenever you have anything significant to report.

Parallely, last but not the least, we are also working on our prepaid card issuance project, where we want to issue our forex cards directly. That is something which we are working on, and we will be updating you as and whenever there is a major development.

With this, we would like to come to the conclusion of the presentation. I would like to thank everyone who has been patiently with us. I would now like to hand over the conference to the moderator. Thank you.



*WSFx Global Pay Limited
November 06, 2023*

Moderator: Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is on the line of Lalit Agarwal, an individual investor. Please go ahead.

Lalit Agarwal: Sir, my question is, you are growing substantially. So how much are you planning your GTV growth for the current financial year and for the next three years?

Srikrishna Narasimhan: See, if you look at it from a growth perspective, our business is seasonal, right? So on a quarter on quarter, there is always an up and down. So second and fourth quarters are peak for us. First and third quarters, relatively our performance will be a little down when we compare with Q2 and Q4. So from an overall perspective, this year is positive. Obviously, if you look at the LRS segment as a whole, it is growing by around 20% to 25%.

That's what has been the overall growth in LRS. But we would like to grow over and above that. If you see our growth year on year in the last two years has been over the market growth rate. Because since we have started from a smaller base, we feel our growth rate will be higher. And that is what we are working on. In fact, if your last year LRS overall business volume was around \$27 billion.

This year is expected to be closing at \$33 billion. So when you look at the market, which is growing, obviously, we are poised in the right position. Because as we are a regulated player, we are coming under regulated fintech. So definitely we feel we will show more growth in the coming two, three years. But today, I don't want to put a number to that at this juncture. But definitely with our solutions, etcetera., we expect to grow in line with the market or higher than that.

Lalit Agarwal: So we can expect at least 50% growth?

Srikrishna Narasimhan: I don't want to put a number to that. We will try to exceed your expectations if possible.

Lalit Agarwal: Okay. Thank you, sir. Thanks a lot. My next question is, sir, in your last call, you said that you are planning to raise a fund. So have you decided on that?

Srikrishna Narasimhan: So essentially, as I said, there is a project that since we are doing multiple things, like prepaid card is one solution which we are working on. We anticipate requirements for more capital. So we have started looking at it. That's why we announced it. So that we will be looking around for investment coming into the company. We are working on it.

As of today, there is nothing definite in hand, but definitely we are working on it. We will let you know. In parallel, we are also working with which takes care of working capital requirements.

Lalit Agarwal: Okay. Thank you, sir. And one more thing, sir. Sir, in your total GTV, you have two channels, right? One is your franchisee model and one is your digital platform. So how much is the franchisee model, this branch model is contributing in your GTV and your digital platform is contributing?



*WSFx Global Pay Limited
November 06, 2023*

Srikrishna Narasimhan: If you look at it today, we have seen predominantly, if you look at our business, it has been a traditional business, correct? So traditional business, which is influenced by, what do you call it, direct and B2B. Even at a traditional level, there are B2B channels, correct?

So we have got our branch network, which caters to our traditional customers and digital platforms, where we are migrating the customers to their digital platform. And obviously, we have got a B2C offering also. So if you look at it, at some form or other, digital is touching them in terms of process automation or through platforms.

So if you look at current statistics, it differs for each platform. So in corporate platform, we have around 40% to 50% penetration. In agent platform, we have around 20% penetration because the market is large and we are also coming out with more and more solutions because only from last quarter, if you look at it, even though we have worked on various solutions, only from last quarter, we can automate the A2 form solution.

Because earlier, before that, we cannot digitally take an A2 form because only last quarter, RBI allowed AD2s to accept digital A2 forms. So from last quarter, we are seeing much more traction coming through our digital platform. So today, if you look at it, anywhere between 20% to 50% is adoption rate across platforms.

But with these things happening in terms of A2 form, which I talked about online submission of A2 form, and already with our video KYC solution in place, we look at it moving towards more than 50% over the next couple of quarters.

Lalit Agarwal: And sir, one more question. In your balance sheet, '22 '23 balance sheet the ESOP expenses you are showing is around INR1.4. And for this H1, '23, '24, this expense is around INR35 lakhs approximately. So these expenses will remain in the balance sheet?

Pooja Mishra: Sorry, these expenses will?

Lalit Agarwal: The ESOP expenses will remain in the balance sheet in future also?

Pooja Mishra: No, it will be there for a couple of more months. As per the actuary's valuation, we have to accordingly bifurcate it into the period.

Lalit Agarwal: So later on, it will not be there in the balance sheet?

Pooja Mishra: Yes, because all expenses will be already allocated, then it won't show.

Moderator: Thank you. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Thank you for the opportunity. Sir, I'm actually quite new to this company. So I wanted to understand the cost structure with respect to the EBITDA margins that we aspire to achieve or that would be a stable number, any EBITDA number that would be stable for the company?



*WSFx Global Pay Limited
November 06, 2023*

Srikrishna Narasimhan: So if you look at overall, see the cost structure is influenced by your acquisition channel, right? So today, the company's business is predominantly corporate, direct dealing with corporates. And for the retail segment, the major acquisition is through a network of agent partners.

Now obviously, when you have agent partners, you have to pay commissions and incentives for the sourcing of customers. So that forms a major direct expense for us. And that has a direct influence in our EBITDA margins. So based on the acquisition channel, like today we are a B2B model, but slowly we are now trying to get into digital B2C model. So over a period, the business mix will determine our EBITDA margins. So if you look at pre-COVID, we were concentrated on all the three segments like wholesale, retail, and remittance, corporate.

At that time, our EBITDA margin always used to be lesser because of wholesale operation where the margins were, currency operation was lesser. Now, two, three years back, we moved away from wholesale and became a pure play retail, that is remittance and you know, cards player with focus on students and corporate segment. So essentially, the business mix will determine which way our EBITDA margin will go.

Obviously, mix like today it is around 80-20, tomorrow it may become 60-40, based on which our margins may go up or go down. You know, so essentially, it's a derivative of the business mix. So our aim would be always to maintain a perfect profitability in the particular yield. Even a business mix of a lot of markets also ensures a different margin altogether.

Aditya Sen: Okay, okay. And what is the split that we are targeting between B2B and B2C? Have you decided on that?

Srikrishna Narasimhan: So today, if you look at it, we are predominantly a B2B company. Obviously, we are pouring into B2C. Of course, B2C has more costs involved. That's why we want to raise funds for our development and marketing. That is something which we have kept on our, you know, strategic focus. But today, we are more focused on B2B and corporate business for acquisition of customers.

And we are pouring in a gradual manner to B2C. Because B2C acquisition cost is very high at this juncture. But that is not definitely an aspirational thing which we are looking at. But if you look at our digital solutions and platforms, we have built a solution for every customer segment, be it an end customer or an agent partner or a corporate.

Aditya Sen: All right, all right. Got it. Got my answer.

Moderator: The next question is in the line of Priyank Gupta from Guardian Advisors. Please go ahead. Priyank, your line is unmuted. Please go ahead.

Priyank Gupta: Good evening. My question is that how do you think that 20% TCS on foreign payments would affect the business?



Srikrishna Narasimhan: Yes. So, one is obviously it has an impact when it comes to high-value LRS transactions. Now, if you look at key segments for us, it is student. And there is no change as far as the LRS TCS is concerned. It remains still 0.5% for people who have taken loan from educational institutions and 5%. So, for us, the key segment, it has no impact.

Business travel, which is corporate travel, does not come under LRS. So, there is no TCS applicable. So, from a WSFx perspective, yes, our two major segments are not impacted. Where the impact will be is our tourist travel. Now, today, that is a very small segment for us, but which we expect to grow. But even a typical tourist does not require more than INR7 lakh.

So, at INR7 lakh exemption, see when you looked at it in July, July we were worried that because the TCS was starting from zero. So, today the government has restored the threshold, which ensures that the regular ordinary traveller is not affected. When it comes to high-value remittance transactions, be it family maintenance or investment in equity and debt or self-remittance, where HNI sent \$2,50,000, today that doesn't come under review because under our ready to license, we cannot do these transactions. So, as I said, thanks to the threshold coming in of INR7 lakh, this has ensured that most of the people do not fall in the 20% bracket. So, for me personally, for WSFx, we don't feel the change in TCS guideline has an impact on the company's growth.

Priyank Gupta: Sorry for being repetitive, but for the smart card business, do you think the cards which are being launched by some of the banks at 0% fees costs are a competition?

Srikrishna Narasimhan: See, actually there are two products. One is obviously our forex card. Second is what you talk about is a FinTech which has launched an INR product with cross-currency waiver. But if you look at it, each has its plus and minus. One is from an INR card perspective, it's a rupee product. This is a forex product. So, there is no apple-to-apple comparison.

A forex product has its advantages because it allows you to lock your rates. Fundamentally, if rupee is at INR83 today, the Interbank is at INR83. Tomorrow, it is at INR85. You are essentially locking your costs. You know what is your cost structure. But an INR card is open to volatility. Like you take a card and at the end of 20 years, if it is INR84, when you swipe it, even though you may be thinking that there is a cross-currency waiver, you end up paying 2% or 3% because you are exposed to exchange rate fluctuation.

Second is, if you look at forex card, it is a fallacy when someone says cross-currency waiver etcetera, because technically 14 currencies are available in our card product. So, when you take the destination currencies, for all the 14 currencies, you are locking the rates. So, where is the question of any margins?

Today, forex margins, the way when we give solutions to a customer, we don't charge 3% or 5% or 10% which is they talk in the advertisement. It is all in a very competitive rates we've priced, you lock in the rates and when you are planning your travel, you can take multiple currencies in that card. So, there is no question of you paying any cross-currency if you plan your trip and take it in respective foreign currencies and it insulates you.



*WSFx Global Pay Limited
November 06, 2023*

So, in my opinion, there is some plus there, there is some plus here. But these are all not same products. In one stroke, see, if you look at it, banks have debit cards and credit cards. Why are banks and debit cards -- banks are not waiving of the debit card and credit cards or cross currency to 0% if they find that's the business model? So, my view is, there is a use case created on an INR card product which has got its merits. But forex card has got its own merits. So, in my view, both will exist, both will co-exist.

Priyank Gupta:

Thank you. And last question, if you can throw some light on your dividend policy?

Pooja Mishra:

Dividend policy.

Srikrishna Narasimhan:

So, see, we have been always paying dividends. During COVID period, we have stopped paying dividends because, in fact, we were in loss. So, obviously, when you are in loss, you don't pay dividends. But keeping the interest of the shareholders is very important. So, as in, whenever the company returns to profitability, definitely it will be taken up by the Board and appropriately decided. But if you look at the track record, except for the COVID years, before that, for three years, we did pay dividends.

Moderator:

Sir, the line for the current participant has dropped off. The next question is on the line of Lalit Agarwal, an individual investor. Please go ahead.

Lalit Agarwal:

Thank you for the opportunity. Sir, can you tell us what is the total debt in your books right now? And what is the total net debt in your books right now?

Pooja Mishra:

Actually, if you check the debt position in the company, we have taken a credit facility from the bank against which we have given a 100% FD margin. So, basically, it is only to manage the working capital well, it is being done. So, as such, the company doesn't have any debt. If you see, the current ratio of the company is good.

Lalit Agarwal:

Okay. You are a cash positive company?

Pooja Mishra:

Yes.

Lalit Agarwal:

So, how much is your cash balance you can say?

Pooja Mishra:

Working capital, we have around INR14 crores to INR15 crores, you can check in the balance sheet.

Lalit Agarwal:

And again, this working capital, how much is your bank balance or FD?

Pooja Mishra:

See, that keeps varying depending upon our utilization in each period, right? Because if you will check, you will check it on a particular day, like last day of the quarter. But generally, it all depends upon the utilization which keeps changing.



*WSFx Global Pay Limited
November 06, 2023*

- Lalit Agarwal:** Okay. Got it. And one more question. In your balance sheet, this H1 balance sheet, there is an item called Deferred Tax Asset and Income Tax Asset. The amount is INR521 lakhs and INR331 lakhs. Ma'am, what is this, ma'am?
- Pooja Mishra:** See, income tax is something which is the carry-forward tax which we will be utilizing. It is on our profitability, like we can carry-forward our losses, right? So, we will be adjusting those. And deferred tax, that is the difference between the -- it is the timing difference of tax calculation as per the financials and as per income tax. So, basically, it is the accounting entry.
- Lalit Agarwal:** Okay. Got it, ma'am. Thank you. Thanks, sir.
- Srikrishna Narasimhan:** Thank you.
- Pooja Mishra:** Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Srikrishna and Ms. Pooja Mishra for her closing comments.
- Srikrishna Narasimhan:** Yes. Thank you very much. I would like to thank every investor, shareholder for the support for the company. It was a difficult two years to three years and now in the last six quarters, we are profitable and I appreciate. And it is -- the motivation we get from the support which has ensured that now the company is into profits. So, thank you once again for everyone for joining this call. For any further queries, you can visit our website and you can reach out to our Company Secretary. And before I conclude the call, I would like to wish everyone a very happy Diwali. Thank you so much. I now request the moderator to conclude this call.
- Moderator:** Thank you, members of the management team. Ladies and gentlemen, on behalf of WSFx Global Pay Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.
- Srikrishna Narasimhan:** Thank you.
- Pooja Mishra:** Thank you.