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To,

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SYMBOL: NPST**

**BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 544396**

**Subject: Transcript of the Earnings Conference Call of Analyst/Investor for the quarter and year ended
March 31, 2025.**

Respected Sir/Madam,

Pursuant to the provision of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the transcript of the earnings conference call of Analyst/ Investors for quarter and year ended March 31, 2025 which was held on May 27, 2025.

The same will also be available on the website of the Company.

Kindly take the same on your record.

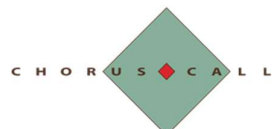
**Thanking You, Yours Faithfully,
For Network People Services Technologies Limited**

**Chetna Chawla
Company Secretary and Compliance Officer**



“Network People Services Technologies Limited
Q4 FY '25 Earnings Conference Call”

May 27, 2025



MANAGEMENT: **MR. DEEPAK CHAND THAKUR – CHAIRMAN AND MANAGING
DIRECTOR – NETWORK PEOPLE SERVICES TECHNOLOGIES LIMITED**
**MR. ASHISH AGGARWAL – JOINT MANAGING DIRECTOR –
NETWORK PEOPLE SERVICES TECHNOLOGIES LIMITED**
**MS. SAVITA VASHIST – EXECUTIVE DIRECTOR – NETWORK PEOPLE
SERVICES TECHNOLOGIES LIMITED**

MODERATOR: **MR. HARSHIL GHANSHYANI – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Network People Services Technology Limited Q4 FY '25 Earnings Conference Call hosted by Kirin Advisors Private 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.

I would now like to hand the call over to Mr. Harshil Ghanshyani from Kirin Advisors Private Limited for his opening remarks. Thank you, and over to you.

Harshil Ghanshyani: Thank you. On behalf of Kirin Advisors, I would like to extend a warm welcome to everyone joining us for the NPST call Q4 FY '25 Conference Call. We are pleased to have us with the esteemed senior management, Mr. Deepak Chand Thakur, Chairman and Managing Director; Mr. Ashish Aggarwal, Joint Managing Director; Ms. Savita Vashist, Executive Director.

The call is scheduled for 40-50 minutes to ensure that everyone has the opportunity to participate. We kindly request that each participant limit their questions to two as this will help the management address as many queries as possible within the timeframe.

If we are unable to address any questions during the call, please feel free to reach to us at info@kirinadvisors.com. We'll be happy to coordinate with the management team for further discussions. We appreciate your understanding and cooperation. We look forward to an engaging and productive call. I'll now hand over the call to Mr. Deepak Chand Thakur. Over to you, sir.

Deepak Chand Thakur: Thank you so much. Very good evening, everyone. First of all, let me congratulate for the breakneck progress quarter-on-quarter your organization is going through. The decision at management level, guidance from Board, efforts from NPST teams, shareholders' expectations and adoption of several key practices has helped us rebuild the growth parameter of the organization after what we saw in Q3. We have closed the financial year positively with the upward trend. I remember either there is a win or there's a fundamental learning. Well, this year, we went through both. It was not an easy journey, but by the closure of the year, I can say that we are well prepared for the coming financial year.

After our Q3 impact, we decided to double down on our efforts to strengthen our core values and also reestablish the growth curve. Like a chef, it has taken time, but we know we have picked up at the right direction. There are four commitments we had with the investors. And I think last 3, 4 months, we have been able to conclude that. One, we got listed on main board, both NSE and BSE. Second, we declared dividend, which is 20% on the face value. Third, we have set up new subsidiary in UAE to focus on the international deals. And fourth, I think it is related to this where people kept on asking us when are you going to a global market?

Well, we have cracked a multimillion-dollar contract in Africa to build a digital payment infrastructure. So, I believe these are a few things which we have been working for a very long

time, and it has paid the result. In continuation to our efforts in scaling the business, we have increased our footprint in allied services and new segments. Like I said last time, our organization's entire focus is going to be derisking and diversification so that the fundamental core of the business is reestablished and we don't go back to the impact we had in Q3.

So -- and also, there were a lot of suggestions which came from the investors last time, when to host the call and giving the business analysis straight with the numbers. So, I believe we have given as much information as possible. It helps you understand your organization better. Our quarterly growth has been about 24% Q-o-Q jump over the last Q3 results, whereas when it comes to yearly growth, it's almost about 36% in FY '25 as against FY '24. If you look at the numbers straight away, I would say that in last financial year, it was INR130 crores in revenue. It has gone up to about INR180 crores, which is almost about 39%, 40%-odd growth.

And EBITDA margin, on the other hand, has gone from 35% to about 37%. Net profit again has not shrunk. In fact, it has gone up from 20% to about 25%. And earnings per share, we have given as against INR13.85 it's about INR23.27, which is about 68% jump. So that's about the number. There is a question about the talent pool in the organization. We thought we'll take it straight.

Last year, there were about 20% addition in our talent pool. And this year, the estimated upward trend is going to be about 30-odd percent incremental talent along with the AI implementation. There were improved efforts in restructuring due to the Q3 results. And while we were doing that, there are a lot of effort around all the other areas of business. So, we have really grown well in terms of offline payments.

We got multiple TSP wins. We got -- we declared about risk engine, AI-based risk engine last quarter. And today, we have three orders already even before launching it. And when it comes to global deal, that's something which happened yesterday, and I'm glad that we have called today to share this with you.

TPaaS upgrade has taken time, the payment platform, to pick up. But in the short term, we have been able to sign multiple banks and about 15 payment aggregators in the platform. When it comes to technology partner business, I can say that today, in about last 4, 5 months odd with all the efforts from my sales team, we got 6 new orders worth over INR100-odd crores in the next 4 to 5 years.

One of the largest deal being Central Bank of India, which is majorly because we ensured that we pivot into more areas of business and offline payment was one, which is about INR70-odd crore order in the next 5 years. And of these 6 orders, 5 orders have SaaS-based revenue, which means if the market grows, it has a direct impact on our business, I mean the growth trend straight away is visible. We have shared the growth trend for the payment platform for this year as well as up to the year 2029, '30, so that you can visibly see the -- what exactly we are targeting.

For all the new businesses, which I mentioned, our P&L will start showing the numbers from -- by the half yearly -- first half yearly itself in FY '26. When it comes to payment platform, like

I said, we signed 15-plus aggregators and large merchants. This itself will give us a GMV peak, which we did last year coming in the first half yearly itself. And when it comes to new revenue stream, like I already mentioned, RIDP, which is our risk engine over AI, our off-line payment business, we have already added revenue to us. And when it comes to international foray, we have already got a global deal, which is about setting up a digital payment infrastructure in one of the economies in Africa. That's what we are doing.

When it comes to small and medium-sized banks, we decided to build our own hosted solution so that we can target this side of the business as well. And I'm glad to say that we got most of the products certified and our tap to go live in the market is much faster than what we had earlier. Along with this, when it comes to new product, obviously, this helps us build new funnel. Internet banking interoperability, which was declared in last April by RBI, we are already one of the POC vendors in the country.

And then at the same time, when it comes to BBPS corporate payments, which is again a new initiative, we are one of the POC vendors. And ONDC on the buyer side of the business, we have already picked up that. Interesting piece here is we decided to conclude this in quarter 1 itself so that we get 3 quarters entirely to add a funnel and incremental business revenue.

That's all from my side. I think there are numbers already available and whatever maximum we can give as part of an analysis, we have done that. Rest I'll take up calls around whatever questions investors have. I think that will be good.

Moderator: The first question comes from the line of Rupesh Tatiya from Shree Rama Managers. Please go ahead.

Rupesh Tatiya: Thank you for the opportunity. Congratulations on turnaround in Q4. I have two questions basically. So first question, sir, is can you give Q4 revenue? Can you split it into transaction-based and then the rest? That is one. And can you also give some color on how much of this revenue is from industries or applications where MDR is charged?

Deepak Chand Thakur: Rupesh, last quarter, most of the revenue is from TSP domain. I think transition-based revenue realization will happen in Q1, majorly because the way our policies has been restructured, it is going to happen in Q1, the entire billing. But mostly 90-odd percent is from the TSP domain. MDR, there is no MDR. Like I said, UPI does not have MDR. What we do essentially is we provide tech stack to banks and to payment aggregators. And on that, we get paid for the services we provide. So, it's not the MDR revenue.

It is against the technology, like if there is a reconciliation model being used, there's a per transition, some paise that we get paid. If at all there is an entire infrastructure that we are sharing on -- for you to transact, then there is certain revenue share. So, what essentially, we do is as a technology service provider, we translate the entire tech cost into a small opex-based cost for you and then you pay me on the transaction model. That's the way it works.

Rupesh Tatiya: I understand the SaaS model. Sir, my question is, I mean, in the value chain, somebody has to charge MDR, right? And then we'll get a share of that. And credit card on UPI, there are some categories where MDR is charged.

- Deepak Chand Thakur:** Yes, absolutely right.
- Rupesh Tatiya:** So my -- so my question is next year, let's say, transaction-based revenue you get, what percentage of that will be where the end transaction is where the MDR will be charged?
- Deepak Chand Thakur:** So other than your account-based transactions, rest all has interchange income. MDR is charged to the merchant, there is an interchange income that goes to bank. And by virtue of being a technology partner in this domain, there is a percentage share of that interchange income which bank pays us. So, let's say -- I'll just give you an example of one of the NCMC prepaid business that we recently started wherein there is a 50-odd bps for the NCMC travel -- when you travel in a metro or somewhere, there is a cost of 50 bps, 0.50%.
- Now the MDR interchange in this case can be about -- I don't want to share my number, but let's say, somewhere around 50% to 60-odd percent approximately where the bank will pay me. Here, the banks -- what I do for the bank right from the technology to the acquisition cost to the entire solution domain and the entire reconciliation, everything is taken care by us. Against that, bank will pay me a certain interchange share. That is how it will work.
- So when it comes to credit card on UPI, there will be certain -- similar story. It's about 0.70% and above. And there, again, there is a revenue share. When it comes to -- so credit line has not picked up. So I don't want to share about it, but the number is somewhere between 0.7 to 1.2. And when it comes to normal transactions, there we get paid for the reconciliation and the overall services that we share with the customer.
- Coming back to your second part of the question, we see that we'll be peaking our GMV like we did last year in this half yearly result. And then -- so we see that we anticipate our payment platform to be going back to the same 70-odd percent revenue share this financial year, coming from 65% to 70%-odd from this particular business.
- Rupesh Tatiya:** So the GMV composition next year you are seeing, it will be similar in terms of where you can charge this interchange, where you will get this interchange. I mean I don't know what was the -- let's say, your GMV was INR100 in, let's say, FY '24 and let's say, out of 30 -- I mean I'm just making up some number, out of INR30 of that is where you were eligible to get a interchange, that proportion will remain same in FY '26 or that composition of GMV will change?
- Deepak Chand Thakur:** That proportion will remain same, but the ticket size will go down. The proportion will remain the same.
- Rupesh Tatiya:** What you're charging per transaction.
- Deepak Chand Thakur:** Yes, the cost -- let's say, if your reconciliation cost is INR0.05, I may get INR0.03 or I may get about INR0.04, but the volume will increase. That is majorly because of the increase in volume happening in the market. So as and when the volume increases, this is the impact which happens. So I'll just give you an example with one service. So we signed a deal with INR0.05, then we signed a deal with INR0.04 also. So that's how it will go.

Rupesh Tatiya: But the realization will go down compared to FY '24?

Deepak Chand Thakur: No. The volume will increase massively.

Rupesh Tatiya: Per transaction realization. I understand the number of transactions will go up.

Deepak Chand Thakur: Yes.

Rupesh Tatiya: And then the final question is UPI incentive, last year, I think it was INR1,400 crores, INR1,500 crores. And this year's budget, financial year '23's budget is -- it has even gone down further to INR500 crores. And I think what basically government now is saying is the industry now is mature. We don't want to sort of handhold you. You guys figure out how to make money with such large volume.

So how -- I mean, how do you read it into this? And which categories do you -- I mean, at least my expectation now is that the MDR will come in some categories, at least the large, large merchants, retailers like that. So, what is your view on MDR being charged in UPI transaction in FY '26 or FY '27?

Deepak Chand Thakur: See, I take a lot of positive from this. There is always a backup to such kind of decisions whenever happens in the sense, it's -- we need to understand that if India's digital growth has been due to this instrument, which contributes 82% as on today to the entire digital volume in the country, then this instrument will definitely have a backup if the mighty incentives have gone down.

So very first thing, where is the mighty incentives now applicable? It is applicable on small-sized businesses, which is fair, and that is where we should be looking at. Second, when it comes to the contribution coming from the credit card in UPI ecosystem, that is ramping up. It has an MDR already.

So that's where the revenue will start increasing. Third, there are a lot of new players in the market, beyond PhonePe, Google Pay, who are into this business, and they are doing virtual credit card-only model. So this, again, increases a tremendous potential around the MDR to be generated from the new instruments in it. Third, like you rightly said, you have to figure out.

And we being early in this stage, I wouldn't say that there was -- I don't think there was anyone else to start getting into this segment than us from the technology domain. What we analyzed was there's a huge potential in the risk-based modelling, which is required to safeguard the payment ecosystem.

And for that, we started building the risk engine way too early. The result even before we launch it, we have three orders in place. So this is nothing, but an output of how the maturity comes in the system. So there will be more and more models coming up and there will be more and more opportunities. And yes, MDR will hit the business, I mean, upward and that will come as and when the instruments start adding value to the system.

- Rupesh Tatiya:** Maybe just one clarification. So some of these things you are saying, credit card and some of these things, this is basically already existing customers or existing merchants who are used to paying MDR, Credit card merchants are already paying MDR?
- Deepak Chand Thakur:** No, no. I think it should...
- Rupesh Tatiya:** The issue is in UPI -- just let me finish, sorry. The issue in UPI is there's a lot of new people we got to do digital payments through UPI and these people are not used to paying MDR. So how will that transition work? So I just want to separate the two?
- Deepak Chand Thakur:** The challenge is from two things. One, it's not just the existing users, but it is also the new cards issued in the market and that is ramping up way fast. Second and it is virtual-only process. So you will see that complete shift in FY '26. Second -- so that has an impact. Secondly, when you say -- what was your second one, the MDR contribution, right?
- Rupesh Tatiya:** So because 90% of UPI people who are using UPI, they have never paid MDR in their life. So how do you make -- transition them to start paying MDR?
- Deepak Chand Thakur:** So I gave an example. I'm not again going back to MDR. I'm going back to interchange, which is a component of MDR. So now I'll just give you an example. Again, don't quote me for the number. I'm just giving you an idea how it works. So let's say, approximately the interchange is sitting at 0.90% to 1% for a credit-based transaction.
- In the UPI-based transaction, the same interchange will not be 0.0% to 1%. It can be one-third or lesser than that. So UPI will still be the most preferred instrument because you are paying one-third of the entire interchange that is payable in the ecosystem, one. Secondly, there is a very clear demarcation of small, medium, large merchants.
- So wherever there is a small and medium merchant, the call can be taken by the ecosystem. Wherever there are a large merchant, if you go to a mall or you go to a shop where you're spending about INR5,000, INR10,000 and you are still using QR code payment, I think 82% is UPI. Then in that case, the merchant does not have a problem. The problem is where you're transacting for INR100, you're transacting for maybe INR500 and the expectation is that you pay 1% over it as a cost.
- Now when you segregate the ecosystem and you understand where there is a paying capacity and again, the -- what you're paying is one-third of the actual cost, then UPI is the most preferred option. So let's see how it goes, but yes this is a very positive move in the industry. I'm just trying to give you an understanding of the ecosystem.
- Rupesh Tatiya:** Yes. Thank you for very elaborate answer Deepak and I will come back in the queue.
- Moderator:** Thank you. The next question comes from the line of Akshay from AK Investment. Please go ahead.
- Akshay:** Hello. Congratulation sir for the good turnaround in quarter 4. So my first question is, yes, so in financial performance is the worst behind us? And if yes, then how much revenue growth

are we expecting in FY '26 based on all the visibilities and all the things and new products we have talked about, if not for the full year, but at least for the half 1 of this financial year?

Deepak Chand Thakur: Well, I would say that Q3 was worst. It's behind us now. We have taken time. I mean, again, as if you really ask me the kind of effort which has gone into it, we really want to see the cumulative impact of all the effort which has gone, which I'm seeing coming out very soon. Like we have businesses coming from offline, which we did not have around Q2, Q3 coming in.

We have revenue models in SaaS-based, in risk engine coming in Q3, Q4. We have payments coming in dollars now in quarters here onwards. So all of this will contribute to the growth. I would still like to -- I don't know, I would still like to avoid the number right now because we would like to still stay put with the growth number that we have already pushed from Q3 to Q4.

But one thing I can say is that there will be a quarterly growth like the way we did it last year. So that's the trend that we'll be currently committing right now. And as and when we go ahead, the numbers will only multiply.

Akshay: Sure, sir. And sir, currently, how many total banking clients do we have in our ecosystems? And how many are live and how many are yet to live like we had talked about the CBI, Central Bank of India. So is it our new customer or is it already onboarded before?

Deepak Chand Thakur: No. So Central Bank of India is completely new customer. We got the order somewhere at the end of Q4, if I'm not wrong and we have done a turnaround within about less than 30 days to make them go live in Phase 1. So that we see the SaaS-based number coming in from Central Bank of India from Q1 itself.

So that's the -- that's about CBI. It has gone live. And the execution is still going on. And we see that the impact coming in quarter-on-quarter as and when the number of merchants grow in the model. Similar and to your first question, we have more than 22-plus banks and payment, prepaid instruments as PPI holders right now, both are regulated entities in various models.

We have added nothing less than 7 or 8 or -- I think 6 or 7 clients in a short time. When it comes to payment platform, we had just 1. We are now in 3. And when it comes to aggregators, these are all like 15-odd aggregators now signed for the deal.

Akshay: Okay. And my last question is on the South Africa deal. So if you can put some color on that as to how -- what service -- what type of service do we provide, and you said that it is a multimillion dollar deal. So the revenue from the same will start accruing from this quarter or when? So can you put some light on that?

Deepak Chand Thakur: So it's not South Africa. It is in Africa. We cannot disclose the country as per certain agreements. And so the execution has already started this quarter. We are expecting this is going to be 7, 8 months execution period, but the revenue will start hitting from Q1 itself and because there are milestone-based payments. This is about 36 plus 7 years contract for us. What is a bigger advantage for us is this is the first of its technology in Africa, which we

believe will be a big jump for us in the entire African continent. So this is a multiyear contract now.

Akshay: Right, sir. sure, sir. And sir, small suggestion from my side is that if you -- if this type of large deal happens in our company, then you might -- you can share these details to all the investors so that we can get better idea about it. That was from my side. All the best for FY26 and thank you so much for answering my questions.

Deepak Chand Thakur: Thank you so much, Akshay, I would like to share something here. There was a slight discussion around because we signed deal. So although we started earlier, we got it in our hand, the signed document we got it in our hand yesterday. And as per certain policy guidelines, it was supposed to go today.

And we decided to -- there are a lot of things happening together. So I left it to my team to make a decision around it, but yes, your point is taken. We'll do it the way you are expecting.

Akshay: Sure, sir. Thank you so much.

Moderator: Thank you. We take the next question from the line of Abhishek Sharma, an Investor. Please go ahead.

Abhishek Sharma: My question is could you please explain how the AI machine learning powered RegTech solution performed in Q4 in terms of client traction, use cases and monetization potential?

Deepak Chand Thakur: Abhishek, like I said in Q4, we declared that we have completed our testing, and we have trained the module with about 640 million data. So that -- to bring this up, we have taken about 1.5, 2 years of effort because any AI engine needs a lot of accuracy and confidence to predict. We are not in a model wherein we are writing a rule engine, if it breaches and then it gives the results.

We are in a system. What we have built is it predicts anything beyond the rule also. So for that, it took about 1.5 years, 2 years. Last quarter, we decided to finally do the COC and this quarter we have actually got the output. We have already -- so existing customers wherever we go. So it solves their regulatory problem in such a way that most of them have said yes and we have three already in our hand.

What it does is it evaluates the entire merchant information. It picks up the information from the market and then it also picks up the transaction nature and behavior. Basis that it tells you where exactly the challenge can be, what is the trust score on a particular transaction and what is the trust score on a particular merchant, basis which you can start taking a decision.

We have further gone to a level wherein it can predict the liability amount a bank can sit on for a particular merchant, if at all, not addressed on time. So that's the evolution the system is going through. That's why even though we have this in our hand three orders, we decided that there will be a massive launch in Q2-odd. And then we will see numbers coming in from Q3, Q4.

Abhishek Sharma: Okay. Sir, my next question is what progress was made in Q4 on the pilot projects such as BBPS switch and credit line on UPI?

Deepak Chand Thakur: So credit on UPI there is not much progress because it's taking its own -- the industry is taking its own time. So as and when it progresses, we'll work on it. When it comes to BBPS, we have additional orders. I think we have got two new orders from the customers. And at the same time, it has added a very strong funnel to the company.

Further, we have also gone into the BBPS corporate payment model, which is a separate engine altogether. So we have also added BBPS agent institute model, which further allows us to get into the new segment. So that's from the product side and the business side.

Abhishek Sharma: Okay, sir. Thank you, sir. That's it from my side.

Moderator: Thank you. The next question comes from the line of Harish Kumar Gupta from Nirmal Bang Securities Private Limited. Please go ahead.

Harish Kumar Gupta: Sir last time you were saying that in last quarter the issue with the client, so in last quarter you have mentioned that this issue is resolved and we have only lost a revenue of 1 month. So somebody has asked the question to you that in that second quarter revenue can we do in fourth quarter. So you have said that it might be, but there is a very big gap. So I think there is some things missing. So can you explain a bit?

Deepak Chand Thakur: Yes, sir. I'll explain that. I have told clearly that whatever challenge we faced in Q3 to address them we have to go to MultiBank model and we have to do it immediately and it is not like overnight it is not possible in one or two months it has taken a time. I think the call happened somewhere in the month of February, mid-February or somewhere around that.

That time also we have said that we have just addressed it, we have got the approval in somewhere end of January and we are going to revamp it. So we have not talked about one month. We have said that our one last is bad. Next quarter we are going to pick it up, which was the quarter that we were sitting on.

So there is a little bit gap in that, but like I said there is a time in that to rebuild and change the model to make it new. Finally we have added revenues in other areas. So that nothing gets -- we have a consistent growth in the organization, which was missing in Q3.

Apart from that we have been asked that same revenue which is of Q2, are you anticipating that or you still you are looking at that 50% odd growth in financial year? I said we are sitting here right now in mid-February. And I feel that our aspiration is there, but it is very difficult due to the time which is left right now. So like I said, it is all the fundamental value that we are pushing at, but it has taken a little time, but I never said one month revenue impact, but I have said with the all the milestones numbers.

Harish Kumar Gupta: Okay. Thank you. Best revenue which is of each quarter is INR28 crores so are you confident that 10% quarter-on-quarter growth we can continue on from here?

- Deepak Chand Thakur:** I think the only dip which happened in Q3. Apart from that no quarter is there which has reached to 10% minimum it is above that.
- Harish Kumar Gupta:** In quarter-on-quarter some exceptional growth is there.
- Deepak Chand Thakur:** In this quarter if you will see there is a 20% growth, before it was 15%. We are trying to do that only, but again I said that don't put numbers in my mouth because we have added multiple revenue streams in the company. So we will definitely give you good results, don't worry, sir.
- Harish Kumar Gupta:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Vinodchandra Agrawal, an Investor. Please go ahead.
- Vinodchandra Agrawal:** So I have -- the first question is like what would be our total number of employees we have?
- Deepak Chand Thakur:** I think about 330 maybe 335 something like that.
- Vinodchandra Agrawal:** Okay. The second question is about -- I would like to understand about this market size, estimated market size for each of the products which you have presented. I believe that is only the Indian market size? Or is it a global market size you have presented?
- Deepak Chand Thakur:** You're referring to my presentation which I have shared today?
- Vinodchandra Agrawal:** Yes, yes, the last quarter and this quarter as well. So for example, let's say, if I take RegTech, which is a Risk Intelligence platform, right, we have a \$2 billion market size. So is it in an Indian market size, like, \$2 billion?
- Deepak Chand Thakur:** Indian. That's our calculation of the products. RegTech is a much larger ecosystem. This is very new. Now everyone will do their innovations in this and there will be people who will be building their modules. We have already built certain modules, which according to our calculation, like what kind of revenue we are expecting, what is the total transaction volume in the country and where exactly it can cater?
- So basis the module that we have developed right now, there is a \$2 billion market size. Now it can be -- as and when the module multiplies and the market evolves, it can go beyond that also. So there will be more and more innovations, new things will added. There will be new regulatory compliances that will come into picture. So as and when that happens, the market size can only increase, it will not decrease.
- Vinodchandra Agrawal:** Okay. And in that additional question is like I see the segments which caters this risk and intelligence platform, that is banks, CA's and regulators that I can understand, but I don't understand like what is the merchant? Is it the merchant also requires Risk Intelligence -- because generally, merchants is something who pays the MDR or some charges to the banks, right? So do they require the risk intelligence platform?
- Deepak Chand Thakur:** Assume there are utility companies. Assume there are companies who are doing more than 2 to 3 payment aggregators taken together. That's the transition volume they do. So -- and then

there are companies who face the payment challenges day in and out, impact hotels or companies.

So there is always a potential there. So what happen in merchant, there will be certain categories. Let's say, there may be hospitals. There may be hospitality industry, where there can be fraud chargebacks. There can be -- there are a lot of businesses which have gone complete online.

There is no offline nature at all. For such businesses, how do you justify that goods were delivered or the payment transactions were made on time, the refunds were done on time. There is no fraud, like he took goods and services and raised the chargeback that I didn't get it. And what are you going to do that case?

So there are a lot of impacts there. So our focus right now is banking ecosystem and aggregators and PPIs. These are all regulated entities. And then this will pivot into the merchant problem understanding, which is the next step.

Vinodchandra Agrawal: Okay. Understood. And one more question about like last quarter, like you presented that we have also won the contract for the Middle East, some technology services, right? So if you can just give some more insight like what kind of a contract? Is it like something...

Deepak Chand Thakur: Service-based contract. So ideally, what happens is when you want to enter a new market like what we did in Africa for last 1, 1.5 years, we have been consistently nurturing this particular account. So wait for a quarter more, we'll share more information.

So what happens is your nature of product and the solution that you have built in India may not be accepted or may not be feasible to be sold exactly as is in those markets. The geography is different there. Regulation is different. And we are building a solution for the regulated ecosystems.

So in that case, you are supposed to venture into certain service-based model and then start building the product stack and then get into IPR. So this was a service-based business where we started building the stack and then it will evolve.

Vinodchandra Agrawal: Okay. So work has already started. Is that you're saying?

Deepak Chand Thakur: Yes, yes.

Vinodchandra Agrawal: Okay. And just last one question is about like generally, like right now, we claim like 7%, 8% of the transactions -- of the UPI transactions that is what our market share we have, right? So in a similar way, do we expect like in this -- all the categories, we will have a similar kind of a market share? Or is it something we expect lower or higher kind of that market share in all of these products?

Deepak Chand Thakur: Got it. So when I say 7%, 8% market share that means that's the total transaction we are processing in our technology partner domain. It is not related to the payment platform, which I just discussed with the first call. That's a different size altogether.

So as and when we grow that size, for sure, that means we are increasing the contract value, and we are increasing the contract with the number of banks. That's why today, whatever I've shared, I've shared that we decided to get into a hosted solution so that we cater to more and more banks in the system.

Like BBPS we have launched, we want it to go on a hosted model as well, why just UPI? So that's how we study the overall requirement. Second, like I said, if there is a first mover, the market share has to be higher. If you are a late entrant, then market share will be lesser.

So like we anticipate that RegTech will give us larger market share in its segment. I'm not expecting a huge number. But yes, it will not be like 7%-odd because UPI, we were very late entrant. We are almost 5 years after our large competitors who are in market as an organization, we went there after 5 years.

So again, there will be a market share benchmarking for every product that we go. Wherever we get a first entry, wherever we have some better understanding, our share will be larger.

Vinodchandra Agrawal: Okay. Understood. And one last question is about like this market size, when we say \$2 billion, right, annual market size, is it like only for our type of service provider, right, not for the entire ecosystem?

Deepak Chand Thakur: Yes, for our type of service provider.

Vinodchandra Agrawal: Okay. So basically, we are saying like this \$2 billion that is annually and if we just even say, let's say, 5%, 7% market share, it turns out in a good amount of revenue.

Deepak Chand Thakur: Yes, that's the journey.

Moderator: We take the next question from the line of Yash from CD Integrated Services Limited.

Yash: I'm from Shaan Patel Asset Management. I was continuous tracking your company. So my question is, will our Y-o-Y growth in H1 in terms of number will be grown as we have seen in the last 2 quarters, there is a massive decline in Y-o-Y?

Deepak Chand Thakur: Yes, Y-o-Y growth you will see now, this year.

Yash: From now onwards, you can see...

Deepak Chand Thakur: Okay. You're referring to quarterly number Y-o-Y.

Yash: Yes, sir. Like in Q1, so the growth was INR58 crores. So are we projecting that we will beat that estimate or we need to see sequentially?

Deepak Chand Thakur: I can definitely look at a higher number coming in from Q1, Q2. But to be honest, if you benchmark it with the -- no, not exactly. So if you benchmark it with the highest number ever achieved by the company in those 2 quarters, I believe that the role is definitely going there only, if that's the direction. But I don't want to talk about that in numbers.

Yash: Okay, sir.

Deepak Chand Thakur: Yes, there will be a growth but...

Yash: This year H1 number, like, if you can give some guidance?

Deepak Chand Thakur: I committed there is a quarter-on- quarter growth

Yash: Sorry?

Deepak Chand Thakur: I said I have committed quarter-on-quarter growth to you, I've committed annual growth also, half yearly growth also, but benchmarking it certain number -- is something that, let the results -- as and when the results come, we can do that.

Moderator: The next question comes from the line of Ashish Soni from Family Office.

Ashish Soni: This talent pool growth of 30%, so where exactly will this be deployed? Is it for product development? Or is it for the Africa project? Or where exactly, can you throw some light on that?

Deepak Chand Thakur: We have a major requirement around the tech and the product domain, because if you see what we have shared, there are 4 new product launches that we are doing in Q1 itself, we are going globally. For us to execute so many -- and then there are 6 wins. So for us to execute, there is a need for the tech and the product team.

So I feel that about 60%-odd, 60%, 65% or maybe more will be the tech and product domain. I think about 30%-odd of that, maybe 10%, 15% will be around sales. As and when we expand in new product and new territory, there needs to be more and more domain expert to sell the solution. So there will be sales and the rest will be the operations and the other areas.

Ashish Soni: And regarding this Africa project, so is it only -- do we expect or are we in negotiation or discussion for other geographies for similar projects? Or is it like one-off? What's your sense based on the win?

Deepak Chand Thakur: We are in discussion with multiple partners, because we decided to go with the partner model, channel partner model. We want to play a specific role around OEM so that the IPR and those kind of quality ownership is with us. And that is where we decided to focus on the solutions alone.

We will not be focusing a lot around the service-based revenue, which is where the channel partner locally will help. And on the product and the core tech side, we'll be playing the role. So we have about 3 to 4 channel partners with whom we are working day in and out.

Ashish Soni: So this global expansion will be -- like this is partner-led and your own products, do you think it will come...

Deepak Chand Thakur: Our own product line.

- Ashish Soni:** So one is like service-based to get an entry and then selling your product. Is that the strategy, if I read correctly?
- Deepak Chand Thakur:** Yes. You build -- so what happens is you -- based on the product requirement of the local market, which, let's say, your product may be just about 40%, 50% there, so on the service-based model, you revise the entire platform. It takes time. And once that is done, the product fitment is identified. And then you are the product owner and the local channel partner is your service provider.
- Ashish Soni:** Okay. And just one request, in AGM, can you come up with your strategy road map for next 2, 3 years, at least what's your thought process? Because I know you are giving some, but at least annually because I think you guided earlier, I think 1 or 2 quarters back that you'll try to give a yearly guidance sort of thing. So if you can come with that by AGM, that will help all the investors.
- Deepak Chand Thakur:** Yes. I will definitely note that and let me work out on that.
- Moderator:** We take the next question from the line of Gopi P an Investor.
- Gopi P.:** Congrats for the good set of numbers. I have one specific question around what happened in Q3. So there is one event happened and we lost revenue of Q3. That's clear for me from the UPI transaction side. That means in the Q3, whoever was depending on us for payments through this UPI flow, can I assume that they all got impacted and that's why they have shifted to some other player?
- Because when I compare Q4 of last year and Q4 of this year, there's still lot of gap, right, INR46 crores versus INR24 crores, INR25 crores. So we didn't regain that revenue. So is it because those customers moved to somebody else?
- Deepak Chand Thakur:** So let me tell you there was a 3-pronged strategy. One is obviously, we took guidance from our Board and all the guys that has been working with us. One is de-risking the entire existing model. See, our core is where the revenue comes in, and we believe that's a fundamentally very strong value proposition. That's why we have grown that well.
- So de-risking for that, it was required to first re-establish the payment flows and the overall tech stack with the multiple banks. Now see, it's a regulated segment, right? It cannot be overnight changed. Earlier, we did not know how long it will take. Later on, when we got to know -- we got on to it, I don't think there were holidays at all.
- And then whatever time we have taken, we have been able to re-establish that. But not stopping there, it was important to diversify the allied services and the similar payment model. Like if you're in online business, then why you are not on offline.
- So let us do the offline as well. If you're in BBPS, then why you are not ONDC. If you're on payment stack, why you are not on RegTech. So all that taken together, we have further diversified. So if you see 2 slides, we committed that derisking and diversification, whatever we have shared, we have been able to achieve that. So model-wise, we have built that.

Third is, obviously, for a good number of time, investors have been asking us, why don't you go global? And then I am keep on saying and there is a fitment, there are a lot of efforts which is required. Don't expect us to happen so quickly. But it was all due respect, whatever efforts we did, we could not project that it will come early and it has come.

So what happens in global market, your margin is better, your market expansion is larger, you have more area to work on so that if at all, there is any debt or any issue. And you have other businesses that you have built to ensure that goes into building the stronger and larger revenue model the organization should have. So that's the major way to handle it. And that's what...

Gopi P.: So I have understood how we have solved it. That part is clear to me. I understood how we are ensuring this doesn't repeat. I'm just trying to visualize the stickiness of our products. So when some issue happened in Q3, can I assume the customers who are using us shifted to somewhere else because they need to know whether we are able to enable it or not.

Deepak Thakur: Agreed.

Gopi P.: So they would have shifted to somewhere else. And can I assume that it takes time to bring them back?

Deepak Thakur: Yes, it does. That's the reason why our Q4 number otherwise would have been much larger. We have taken that time to be -- that's why. Otherwise, it was like one side is you have banks, other side is you have to re-establish, retest, redo everything.

Gopi P.: So the peak of, let's say, last year, whichever quarter we had the peak, it's because of, let's say, -- I'm assuming majorly because of the huge transaction we have enabled through API. So when we get these customers back, ideally, the peak should come back in this year, right?

Deepak Thakur: Yes, yes. Absolutely.

Gopi P.: Got it. But we don't want to commit the numbers, I'm assuming?

Deepak Thakur: Yes.

Gopi P.: Got it.

Deepak Thakur: I mean, see, it's all positive. It's going upward. But what I've seen is that we really want to put those good numbers in place and bring it back. So if I would have committed anything overly in Q4, then it would have had -- even after 20% growth, I don't think it would have taken it -- anyone would have taken it right. So that's why.

There is a very strong process which has been built. I think you should focus on those kind of fundamentals which the organization has. Probably earlier, no one was looking into it. Today, it's all there. It's right there. So you can pick up from there, and it is easier to then anticipate whether we are taking the right decisions.

Gopi P.: Yes, yes. That is very clear. I'm also very excited from the product pipeline that I've seen. And also, I think we have taken all the steps to ensure that future is very bright and we never have the situation. So thanks for that.

Moderator: The next question comes from the line of Nishant from Goldman Sachs. Please go ahead.

Nishant: Yes, hi. I just had one question, which is already answered, like basically regarding the guidance, which you have not given. So we'll wait for Q1 and see if we can get some guidance.

Deepak Thakur: Sure, Nishant.

Nishant: Thank you.

Deepak Thakur: Thanks.

Moderator: Thank you. We take the next question from the line of Shrinivas from PIA. Please go ahead.

Shrinivas: Hi, Deepak. Great set of numbers.

Deepak Thakur: Thanks, Shrinivas.

Shrinivas: My question is about BBPS B2B, you said it is a fast emerging space and targeting 2.5 billion market share there. Could you share what is your go-to-market strategy? Like how many builders or merchants are onboarded or in funnel? Similarly, you're saying ONDC platform is another 10 billion market opportunity. So how many merchants or banks are in discussion?

Deepak Thakur: So BBPS B2B, I think we have -- we will be completing -- we'll be completing this in Q1 by 30th June, which I have mentioned in one of my slides. I see that this is absolutely new. So whatever offline market we have in India, that is the entire set of targets that we have. We intend to continue exploring the opportunity from the partners that we have. It may be our payment aggregators, it may be the cooperative banks, the CBS vendors, all those whom we have tied up. So the funnel will come from these places. There will be revenue which will be generated based on the overall transactions in voice process and the amount settled in the BBPS corporate payment.

Second is when it comes to ONDC, we have picked up the Financial Services segment, which has mutual fund, which has your insurance. And then we have personal loan as well. Now availability of financial services on this segment allows us to generate revenue and does a direct market entry. For this, for sure, we have a couple of banks where we are going aggressively. And then NBFCs, fintech, these are all guys, I think we have mentioned that as well, these are all guys who will be direct customers.

So yes, that's the overall growth plan in the ONDC space, because we are just focusing on buyer app. We don't want to right now jump into supplier. That's a little bit tedious. In the buyer app, because we are in this space, wherein we have access to merchant ecosystem, this allows us easier entry.

Shrinivas: Okay. My next question is about a technical question. How do you manage core banking integrations for the small banks or hosted or hosted model for these cooperative banks? Because most of these banks are having legacy systems without any API side?

Deepak Thakur: We have a middleware, ISO to XML, which clearly -- so your entire legacy is ISO, I guess, and then your new age digital payments work on XML. So we have our IP -- our own IP, which has been built to ensure that such legacy system has no impact. So it may be JSON, it may be any format, we can get the converter in place.

Shrinivas: Something like SDK you are doing, is it?

Deepak Thakur: In fact we are -- SDK, it's a middleware. So let's say you are communicating from a CBS to my system on an ISO. So CBS has an ISO, okay? Let's say, top 3 are your Oracle, Infosys and your -- which is third one, TCS, banks, PAGS, Flexcube and which is Infosys one I forgot that name, Finacle, okay? So majorly, you'll have ISO-based message transmission from these guys because that's the model in which it was built.

Now your digital payments are on XML. So between CBS and my digital payment switch, there will reside a middleware. This middleware ensures that the communication between 2 systems is rightly exchanged. So we have done integration with all these 3 names, which I have mentioned. So we have ready middleware. So tomorrow, if there is any bank which has either of these core banking solutions, so we know what kind of processing needs to be done. So it's all because we have been in this space for quite a long time now.

Shrinivas: Okay. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Hardik Gandhi from HPMG Shares & Securities Private Limited. Please go ahead.

Hardik Gandhi: Hello, Sir. Am I audible?

Deepak Thakur: Yes, yes. Tell me.

Hardik Gandhi: Yes. So just wanted to know, I'm really happy the change in tone from Q1 to Q4 and congratulations on the new product launch. For someone who does not have that...

Deepak Thakur: Your voice is breaking.

Hardik Gandhi: Can you hear me now? Can you confirm if my voice, if my network...

Deepak Thakur: Yes, I can hear you.

Hardik Gandhi: Can you hear me? Or is the voice breaking? This is better. Yes. So I was just saying that congratulations on the amazing product line and the change in tone from Q3 to Q4. Just wanted to know for someone who does not understand your products that well, for me to gauge the factors which pivot your company towards a good direction and a bad one.

So just wanted some guidance from you on the -- for a layman basis that what things do you want to happen and what things will be which you don't want to happen, kind of a short analysis. But like opportunities and threats so that in case if going forward, we see some trend happening, we can directly relate to the company and the future performance, if that makes sense? Sorry.

Deepak Thakur:

How do I -- so let me try to answer this. So very first thing, if there was a single line of trend, then we would have been in Q3. I mean that's what we did in Q2, right? So we don't want to be sitting on those kind of trends. What we try to do is we try to give more clarity to our investors, as in what is the segment that we are targeting and what is the size of that segment. So it helps you understand whether that particular segment is growing or not.

So when you go ahead, you do a study, you'll come to know that, okay, what is that RBI is declaring in their vision for the next 3 years in payments? And that particular vision make certain digital payment growth story. This is going on for a decade now. So we gave you an idea about what is the number, which is -- what is the trend that is going on in the market.

Now if I tell you about the online payments, you have the number. If I tell you that I'm getting into offline payments, you'll easily get the number around that also, how many offline merchants have been digitized in this country. If I tell you about RegTech, I think that's a niche. You'll have to rely on the number that we have said based on the information. But you can look at the fraud, which is increasing in India. Maybe that will give you an analysis. If the fraud has increased by twice, that means the market size also increased by twice.

Hardik Gandhi:

Correct. So on the RegTech -- sorry to cut you. But on the RegTech, is it more related to cybersecurity? Or is it very much related to transaction fraud?

Deepak Thakur:

Transaction frauds.

Hardik Gandhi:

Okay. Okay. And just to understand more about the product line, how -- like given all the products we have, how difficult or easy would it be for someone to replicate that and to develop the relations which you have developed with the customers, given that there are so many new product launches and we've been in the market for some time?

Deepak Thakur:

So customers we have right now, I mean, there are customers who are with us for a decade now. I mean there are customers who have recently joined us and then started with one product and multiplied with multiple products. I mean we have more than 2, 3 products per customer. So I would say that, yes, it is not very difficult to build the product. What's important is what value-added services or what kind of expertise you add to the solution?

I mean it's not about just building a processing engine or an API. It's about what makes sure that the API works and what makes sure that all the compliances and all the other areas are rightly taken care. So I would say that being an SME in this segment creates a lot of value add, which allows us to visualize what next. So that's something that enough to diverge.

Hardik Gandhi:

So it would be correct for me to assume that in future, you want to be one of few rather than one of many?

- Deepak Thakur:** Yes. We would like to be the innovator and we would like to be setting the trend.
- Hardik Gandhi:** But just -- sorry, sorry to contradict on this part that given that you want to be the innovator, do you think a lot of your money, time and resources will go into innovating something which might end up just changing because of the regulatory change or rather than following something established? Sorry, just putting a...
- Deepak Thakur:** Yes. So you should know this that we just don't pick up like in any -- left right. There has to be a need. There has to be a very strong calling for it. RegTech was not something which just picked up. We got to know the kind of frauds happening. We have the data points. We know what is happening in the industry with our customers. So there has to be a need to innovate something.
- So we just -- we are not like suddenly, we do something else. There was a discussion around Internet bank interoperability somewhere in April when the ex-governor of RBI, Mr. Shaktikanta Das declared that this piece is missing. So we decided to stay put on it. And whenever there is an opportunity to get into it. So we ensured we invest into it, because once that happens, it becomes a compliance requirement for any bank. So we invest in such pieces.
- So yes, the decision is purely based on the need, and we have a right guidance from Board coming in for what kind of R&D budget we should have and what kind of new product investment we should be doing.
- Hardik Gandhi:** Understood, understood. Thank you for the elaborate answer. All the best for the future. Thank you so much.
- Deepak Thakur:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, with that, we conclude the question-and-answer session. I now hand the conference over to Mr. Harshil Ghanshyani from Kirin Advisors Private Limited for closing comments.
- Harshil Ghanshyani:** Thank you. Thank you, everyone, for joining the conference call of NPST Limited. If you have any queries, you can write us at info@kirinadvisors.com. And once more, thank you, management. Thank you, participants, and thank you, everyone.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.