

SYMBOL: NPST
ISIN: INE0FFK01017

Date: February 18, 2025

To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building, Bandra Kurla
Complex, Bandra East, Mumbai-400 0513
Fax: 022-26598237, 022-26598238

Subject: Transcript of the Earnings Conference Call of Analyst/Investor for quarter ended December 31, 2024.

Respected Sir/Madam,

Pursuant to the provision of Regulation 30 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 ended December 31, 2024.

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 Q3 &
Nine Months FY '25 Earnings Conference Call”

February 14, 2025



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

MODERATOR: **MS. VAISHNAVI AMBOKAR – KIRIN ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Network People Services Technologies Limited Q3 FY '25 Earnings Conference Call, hosted by Kirin Advisors Private Limited.

As a reminder, all participant lines will be in 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 “*”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vaishnavi Ambokar from Kirin Advisors Private Limited. Thank you, and over to you, ma'am.

Vaishnavi Ambokar: Thank you, Sejal. On behalf of Kirin Advisors, I would like to extend a warm welcome to everyone attending the NPST Limited Q3 FY '25 conference call.

We are pleased to have with us NPST's senior management team, Mr. Deepak Chand Thakur, Chairman and Managing Director; Mr. Ashish Aggarwal, Joint Managing Director; and Ms. Savita Vashist, Executive Director.

This call is scheduled to run approximately 40 to 50 minutes. To ensure that everyone has a chance to engage, we kindly request that each participant limit their questions to two. This allows the management team to address as many queries as possible within the given time.

If we are unable to answer any questions during the call, please do not hesitate to reach out us at info@kirinadvisors.com. We will gladly coordinate with the management team to arrange the discussion. We greatly appreciate your understanding and cooperation, and we look forward for a productive and engaging session.

With that, now I will hand over the call to Mr. Deepak Chand Thakur. Over to you, sir.

Deepak Thakur: Hey, thanks, Vaishnavi. And thanks, everyone, for joining the quarterly call so early today. Good morning, everyone. Like I always say, this is the only time when we connect to all of you and your questions help us understand the market too well. These inputs have helped us in rectifying directions and build a stronger growth story for the organization.

If you ask us how has been our last quarter, let me tell you that we have realized that we have a break in our car so that we can drive faster and control better. Thanks to all my advisors. I know you guys have a lot of questions around numbers today, but I am more confident than ever about the organization's growth plan.

Let me tell you that our numbers have dipped, but our overall performance in the key parameters that we look at has never gone down. In fact, our business risk has been mitigated last quarter, and the revenue model has strengthened. We have been honest, transparent and believe in good governance; hence we informed our shareholders right at the end of Q2 that we expect business

impact in short term. So we are firm with the point that the impact is temporary, and we will be back soon with similar growth numbers that you have seen quarter-on-quarter.

Some of the critical points that I want to mention, and I want to address upfront. Obviously there are a lot of questions around what has caused the dip. So let me tell you that we have two business verticals, the technology service provider and the payment platform as a service. In second vertical we provide payment platform to banks and aggregators. Our primary source was a bank from the cooperative segment. It was during the end of Q2 when the bank policies changed and the acquiring policy was to be relooked for the cooperative banks.

This took some time where we got space to really look at the future challenges we can come across. This has caused the dip in payment platform vertical having an overall impact in the P&L. We did not anticipate it will impact the entire quarter, but it did. We were better off since the policy changes. We are now better off. And we have completed the entire policy changes and the cooperative banks can restart the acquiring business, that's the recent update. The new onboarding, which was completely halted, has now already begun.

In the last nine quarters we were swarmed with customer demands due to the nature of the digital payment industry. We would never anticipate such a challenge. As a future risk mitigation and solution to this challenge, last quarter we completely fast-tracked our technical journey to add more banks in the ecosystem, which will de-risk these challenges. As well as the new product edition, which were majorly in the pilot stage, we were able to push that completely into production. Beyond the existing banks from cooperative segment, we now have private sector and a payments bank. Apart from these three, we have two more banks lined up from the small finance bank category. So our entire offering is complete.

We soon intend to commit the best success rate in transaction in the entire industry, thanks to the focus we had on the technical upgrade last quarter. In fact, all three banks have started onboarding customers already. What we essentially have done is de-risked and diversified the business model in payment platform to averse the future challenge and deliver better results. But that's not where we have stopped.

We were agile and quick enough to bring all the future roadmaps early to de-risk and diversify the entire payment segment, yes, I mean the entire payment segment. We have used this space to build the revenue engine from other segments which was otherwise to be built a year later. We have added RegTech as vertical and built an AI/ML engine for predicting fraud as well as bringing stronger compliance in the entire banking ecosystem.

We want to contribute to the regulator's vision of stronger and better digital payment ecosystem. Since we are the only one working between banks and payment aggregator, we have massive understanding of this requirement and we have built our own IP in RegTech. We are confident being the first mover as well as industry expert in domain as well. In fact, we recently won the award for this product in Bharat Fintech Summit. Apart from RegTech, we launched credit line

for UPI which is an opportunity for banks to encash on UPI network. We went live with one bank and we are in the midst of multiple tenders right now.

We are building the credit line platform for NBFCs. BBPS which we launched last quarter we are soon to monetize it here on in fact this quarter itself. Our bet on offline payment by becoming a partner to bank on building QR and Soundbox solution has paid well. We have not only received incremental orders, we have added more accounts in this space.

That's majorly our story for last quarter. You can say that we have been like fishermen who couldn't go to sea due to storm. But we sat and fixed our net during this time to get a better cash tomorrow. That has been major efforts for last quarter.

Let me take you through numbers. Our revenue for quarter three has gone to Rs. 23.23 crores, I know that's not what you would like, as against Rs. 31.39 crores in Q3 last year and Rs. 68.97 crores which was a marquee quarter for us in the last quarter.

While the revenue got dipped, but EBITDA and PAT has remained strong and positive, that we have ensured. Our EBITDA is 35.33% at Rs. 8.21 crores and PAT is about Rs. 5.14 crores, which is still maintaining 22% PAT ratio. We have still managed a healthy P&L and our nine months consolidated numbers are upward with about 78% growth in revenue, 96% in EBITDA and 133% growth in PAT.

Our guidance for this year seems getting impacted due to Q3 results, however, we are trying our best to achieve better and stay put on the numbers. But like I said, we believe in being transparent and we feel the guidance may have an impact, but this can be ascertained only by the end of Quarter 4.

So that has been the major pointers about the last quarter. The rest, I think it will be more of a Q&A that we can better address your queries. Thank you for being with us during this time and believe your support will help build a strong and sustainable growth story for the organization, which we always look forward to.

Yes, Vaishnavi, you can take up the questions, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Akshay from CD Integrated Services Limited. Please go ahead.

Akshay Kaila: Yes, sir. I had a question regarding, recently we had the news that Razorpay and Cashfree stopped direct integration with third-party service providers like Juspay. So, can you put some light on that? And what is the impact of this type of development in our types of business?

Deepak Thakur: For the captive business, Razorpay and Cashfree have the ability to build their own payment switch, so they do not need a third-party. Ideally everyone else has a dependency on third-party to build their technology platform. So Juspay has been that technology partner. And I think they have

invested and reinforced building the technology themselves internally, and now they do not need Juspay. So they have their own internal team, their spend accordingly will increase. So that's majorly how this structure is between Juspay and these guys.

Akshay Kaila: Okay. So it means we do not have this type of partnership, and our types of business do not get affected by such developments, is this right?

Deepak Thakur: No, we do not have partnership with large players. We do not work in this model. We work majorly for the acquiring banks. And then we also work with payment aggregators who need our platform. The ability to have their own switch and behave like a bank rests with these top four to five payment aggregators.

Akshay Kaila: Okay. Sir, and my second question is that in the last con call and the online investor meet you were extremely confident about almost achieving particular revenue with 75% to 100% growth guidance. However, the actual sales has been very, very poor this quarter, already have given the reason for the same as well. But given this significant miss, what is your revised guidance for the next quarter? And why should the investor trust now your projections going forward?

Deepak Thakur: See, to be very honest, this is a temporary impact. And like the moment we anticipated, we informed that there will be a short-term impact. However, we did not anticipate that it will last this longer. And that is the reason why my entire Q3 got impacted. Well, about the trust of the investor trust, I feel that this is the first quarter where you have seen the impact. And we did not sit only on one single point, and then we realized what more has to be done. And that has been relentless efforts all these days, in the last three to four months. So, when it comes to guidance, I feel that we are still focused on that number, so that it does not change. But to be honest, it will be only at the end of Quarter 4, where we will get the entire result because now we have multiple banks with us.

Akshay Kaila: Okay, so are you confident of it?

Deepak Thakur: I will continue to answer. Yes, please. Yes, Akshay.

Akshay Kaila: Yes. I just said the last question that are you confident of means your stated your minimum guidance, in the lower end of your guidance is 75%. So are you confident of achieving that in Quarter 4 for the full-year?

Deepak Thakur: Let me be honest, I personally feel that that it is difficult to achieve 75%. But we are still trying. So my confidence is not 100%, a little lower than that. But that is what we are still working on.

Akshay Kaila: Okay. Fair enough. Thank you, sir.

Deepak Thakur: Yes.

Moderator: Thank you. The next question is from the line of Venkatesh from JM Financial. Please go ahead.

V. Balasubramaniam: Yes. A couple of questions from my side. Now, firstly, the results in this quarter were not good, you were also aware. You are hosting a call at 9:00 in the morning, where in 15 minutes the market is going to open. Wouldn't it have been advisable that you hosted the call either yesterday evening, maybe the results came late, it would have been advisable to host the call at maybe 8:30 or something so that people got a fair idea of what exactly was happening.

The second aspect, other way to inform investors would have been that you also put out a presentation yesterday. The presentation talks about just numbers. It does not give you any idea whether this was a one-off problem or this problem, you have worked on it and you have resolved some of these issues. This could have been mentioned in the presentation also. Why is it that you have not put in that thought of actually mentioning this in your presentation?

Deepak Thakur: Honestly, Venkatesh, this is the first time we take this. We are not even aware that this would help in the presentation. But we will take this up for the next time every quarter to put such kind of pointers also in it. Our intention, if you look at the presentation, we have completely changed the presentation. If you see all the presentations for last all the quarters, if you could see, we have changed the presentation and we have added few slides in such a way that people can understand that what was there earlier and what we have right now. So what is the change which has happened. However, I completely understand the notes would have definitely helped. So, we will take this up. And if you want, maybe post this call, we can put this note also. And I believe this transcript will anyway be available for everyone.

V. Balasubramaniam: Yes.

Deepak Thakur: So yes, point taken. Second, about --

V. Balasubramaniam: Just a suggestion, either you mention it in the presentation or you put out a press release, what exactly. The qualitative aspects which do not come through in the presentation. Some data point would be very useful, especially before, if for example, the results are poor or the results are extremely good, it is good to give an explanation why that has happened in your press release or in the presentation.

Deepak Thakur: Honestly, Venkatesh, never in earlier calls we have got this input when the results were good. It is only today when we are getting these inputs. And like I said, this will be added and we can take it further. There's no harm about it. And we knew that there should be more visibility about this to our investors and that's the reason why you see the presentation itself has changed to ensure that all these points are available. If you need more notes on it, we will definitely put it. But the attempt and the effort has gone into it.

Second, about hosting this call early at 9:00 AM, I think we took advice and accordingly we have hosted. However, if it was to be even earlier than this, then I think we have actually taken the advice and gone ahead with this. So there can be differences in advice, but I do not think, you also

know that we have ensured that this is as early as possible so that people are more aware and they can actually take decisions. But anyway, point taken. We will see it the next time.

V. Balasubramaniam: Yes. Just one or two questions about the business. Now, see, nine months your revenues have grown 78%, so as of now you are actually tracking ahead of lower end of your 75% to 100% growth guidance, okay, at least on the lower end.

Deepak Thakur: Correct.

V. Balasubramaniam: Now, you said you had a problem with one cooperative bank which has got resolved now, we are maybe in February. And you also mentioned in your opening speech that we will go back to the original growth numbers quarter-on-quarter and Y-o-Y kind of growth numbers. But you are still saying 75% looks slightly tough. So is there like 75% looks slightly tough but you can at least get to 50% kind of growth Y-o-Year? Some kind of what is the minimum growth you can do? I mean, you can give a conservative number but is it something which you can share?

Deepak Thakur: See, there's a spillover to this quarter, that's the reason why I said otherwise we would have definitely crossed 75%, there is no doubt about it. And at the same time, the revenue engines have multiplied, so we are going to get full-blown numbers here onwards, in fact, more than what we were looking at earlier. But then it gets balanced out, it gets averaged for the entire quarter. And that is the reason why I said that by end of quarter we will get the right numbers.

However, at the same time if I give you a number right now, push it to you, that will be wrong on my behalf. If at all, I do not have the visibility of the closure of the quarter. So, to be very honest, yes the numbers will definitely be better and much, much better than your Q3. However, if you ask me to benchmark it with 75% to 100% odd, that is where I am saying that we need more clarity to actually come out with those numbers. But there is no doubt about it that we will do good, we will do definitely better than Q3, much higher than that.

Moderator: Thank you. The next question is from the line of Keshav from Niveshai. Please go ahead.

Keshav: Yes, thanks for the opportunity. So, as I can see there has been a dip in the employer benefit expense, so does it mean like you have fired them or is it like they have left the company?

Deepak Thakur: No. So the entire structure of the organization remains as is. We are fundamentally very strong in terms of what we are building and what we are investing, so there is no change at all. The increase in cost was in Q3 majorly because of ESOPs and because of certain variable payments. So all taken together, it has come down to this number for Q4. And that's not because anyone has been fired or there has been any challenge there. In fact, we are hiring more and our positions are still open. And right now there is about 50% more hiring. I mean, we are a 300 plus people organization and we have 150 open positions in the organization.

Keshav: Got it. Thanks. That answered my question.

- Deepak Thakur:** Yes.
- Moderator:** Thank you. The next question is from the line of Priya Jain from Green Capital. Please go ahead.
- Priya Jain:** Hello, good morning, sir.
- Deepak Thakur:** Hi, Priya.
- Priya Jain:** Sir, my question is very far from your quarter results. So my question is, how is NPST integrating AI into its service to drive innovation and more customer-friendly applications or the interface?
- Deepak Thakur:** So, for about one and a half years now, from the time we started the payment platform, we are always looking forward to what more problem we can solve in the industry. We have a lot of visibility around banks' functions, compliances; and at the same time, the payment aggregator, gateways and merchants' functions and their compliances. So all taken together, it is very, very difficult to process billions of transactions and bring out the meaningful information to manage compliances and predict frauds. So we have fraud engines in the market which is reactive, in the sense it can tell you how fraud has happened, but it cannot tell you the possibility of fraud in it. It cannot tell you that your compliance rate is getting impacted.
- For that, you need a strong machine learning system. You need AI to build those models. And we have been able to train our engine with about 644 million data, transaction data. And that is what I was talking about RegTech where we got awarded. So, that's how we are integrating AI in the system. And wherever we have payment platform, this will be one of the core deliverable for the banks and the aggregators, and even large merchants. So that's the core focus right now. And then learning from this, we will definitely be looking at more areas around the business impact, the business growth and many other areas.
- Priya Jain:** Okay, fair enough, sir. And my next question is with budget allocation to our digitalization, how big opportunity do you foresee for the fintech industry in general, and NTPC in particular?
- Deepak Thakur:** So, like I said, RegTech is extremely big. The bigger the transition volume in the country, bigger is the risk associated with the digital payment. Now this realization and this quality of information we have very clearly right now. And all taken together, we believe that the budget approves of the entire fintech and payment industries' growth path. And at the same time, might focus on building the rural India and how the rural penetration has to be looked up. That is clearly called out. NABARD is more powerful than ever to bridge the gaps. The cooperative segments are now more empowered with better and stronger policies. So all of this will pave the way for our growth story.
- Priya Jain:** Sir, one more follow-up question on this. How many banks are in pipeline and how many will you add in next quarter?

- Deepak Thakur:** So we were at 12 banks last financial year. We are almost at 18 to 20-odd banks right now. And when it comes to payment platform, we were just one bank and now we have three banks, and two are in pipeline this quarter itself. So that's the number.
- Priya Jain:** Good to hear. Thank you. And all the best.
- Moderator:** Thank you. The next question is from the line of Rajesh Jain from RK Capital. Please go ahead.
- Rajesh Jain:** Hi, sir, good morning. I understand that the guidance will be impacted this year. What is likely to be on growth rates going forward for FY '26 and FY '27 based on whatever visibility you have now, what is the most conservative number that you can give for the next two years?
- Deepak Thakur:** See to be honest, the numbers for next year, we have never given, we have only given numbers for this financial year. We want to account whatever happened in Q3 and how we are closing Q4 and then give the number for the next financial year. Our aspiration, our wish list is to maintain whatever we have achieved, whatever we intend to do around 75%-odd. But the final numbers, I would say that let us reserve it for the Q4 call.
- Rajesh Jain:** Okay. But on a high base of the last few years, you are still maintaining your aspiration at 75% even though it is not an official guidance, but your aspiration, you think it is achievable if things go well over the next few years?
- Deepak Thakur:** Yes, because see there are a lot of new segments which we were able to tap last quarter due to the time and space we got and all these segments will be definitely be monetized in next year. However, the number calculation for those monetization will happen only during the process and that's the reason why for me if I have to give guidance I can give guidance on payment platform and I can give you guidance on the bill aggregation. But when it comes to other segments, like say, credit line in fact, offline payment has also picked up. So if I have to give guidance for two more segments to be added that will be difficult to account. That's why I said, our wish list will still remain same, but it is only at the end of quarter where we can actually see the monetization impact for the other segments.
- Rajesh Jain:** Okay. And sir, what are the opportunities in the RegTech space can you explain a little bit in detail and who are your competitors in the RegTech space?
- Deepak Thakur:** Okay. So the global RegTech market is \$37 billion and the payment alone if we look at is between \$2 billion to \$5 billion in India. The product that we have built we intend to -- so we are the first mover in that and it does not exist. I do not want to detail out more in a call due to competitive information, we are readying up for a massive industry launch for this particular product. So competition for this product does not exist because this is built on the huge data points that we had already and anyone claiming it has to go through 644 million transaction record to arrive where we are. So yes, I can give you a market size, but monetization will be also on SaaS-based model moving forward the more you utilize the platform accordingly you pay for it. So this will be more on SaaS-based model that is what I can say. Yes that's about it.

- Rajesh Jain:** Okay. And last question is PaySprint or SprintNXT are they in the same business and are they a competition for you?
- Deepak Thakur:** PaySprint is my customer. They can consume services from me. In fact, they are my customer.
- Rajesh Jain:** Okay, understood. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Gaurav Didwania from Qode Advisors. Please go ahead.
- Gaurav Didwania:** Thanks, Deepak for taking our call.
- Deepak Thakur:** Yes, Hi. Tell me.
- Gaurav Didwania:** Hi. So my question is, can you give us exactly during what time were the revenues affected and starting what time has the business been back to normal?
- Deepak Thakur:** Ashish, from the billing perspective can you --
- Ashish Aggarwal:** I think somewhere about in the month of August if I am not wrong.
- Deepak Thakur:** End of August almost. I think somewhere billing got impacted somewhere end of August that means the billing impact would have been somewhere in September early. And this has gone to almost about January third, fourth week.
- Gaurav Didwania:** January third, fourth week. So we can expect about two months of full revenue in March quarter for example.
- Deepak Thakur:** Yes that will come across.
- Gaurav Didwania:** Got it. Thank you. And the second question is you always quoted the GTV numbers.
- Deepak Thakur:** This time it will be difficult. It's almost 90% drop almost. So difficult to quote now.
- Gaurav Didwania:** Okay, that's it from my side. Thank you.
- Deepak Thakur:** Yes.
- Moderator:** Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities Private Limited. Please go ahead.
- Hardik Gandhi:** Yes. So good morning, sir and thank you for hosting the con call. Just wanted to know two things. First to understand the kind of business model we have. How much of the revenue is fixed and how much of it is variable and how is the billing system work? Just to understand the dynamics of it.

- Deepak Thakur:** So in two verticals, so to help you, you can pull this from the annual report as well. But I will explain right now. But if you want more detail, it's there in the last annual report. So we have two verticals. One is technology service provider, second is payment platform. The technology service provider vertical works on software license and software as a service model. So when you say variable, I do not know if you consider SaaS as a variable model, but payment, I mean pay-per-use model wherein you have revenue coming in from the TSP vertical. That's one portion. The other one is license-based model, wherein some of the large customers, they do not believe in pay-per-use, they buy the entire license. That's one. In the payment platform, it is entirely --
- Hardik Gandhi:** License would be a fixed thing then, correct?
- Deepak Thakur:** License is a fixed thing, but then it comes with, now because this is our product, the manpower provisioning and the customization change request, everything gets paid per man-day or per man-month. So that is where the incremental revenue comes in. So any order that we book on the license model we also get paid on the man-days and the man-month that we invest. So there is a portion of license fixed license AMC and then there is a portion of this variable income. The second one is SaaS based model which is pay-per-use. When it comes to payment platform as a service, we believe everything should be SaaS-based model. So the more you use platform accordingly you pay for it.
- Hardik Gandhi:** Understood sir. So what was exactly affected which model was affected in the last quarter and what was?
- Deepak Thakur:** Payment platform, which was almost about 70% to 80% of our revenue share coming in that is the platform which got affected last quarter.
- Hardik Gandhi:** I think so missed the initial detail but what exactly went wrong there?
- Deepak Thakur:** So like I said, there was this policy changes in the cooperative segment and our platform was live with the cooperative bank and that is where until the policy change happened we had to wait and that is where the business got impacted. However, what we have mitigated this is with a cooperative bank obviously it has gone live again and along with that your private sector bank, payment bank, small finance bank we went extremely aggressive and were able to add multiple banks in the platform, so that we have more customers through these banks to cater to.
- Hardik Gandhi:** Understood. And the last question from my end, everything I understand we are --
- Deepak Thakur:** Can you ask again, I lost you.
- Hardik Gandhi:** Yes, so on the future growth story, right, I know we are going into a very new product which you think it's very niche it's one of a kind and everything. But on the existing business front are we targeting any non-cooperative international banks or something because there I think so there are still a lot of adoption of UPI and other payment solutions are pending. So just wanted your thoughts on that.

Deepak Thakur: I did not get your question because I just mentioned that we have already added private sector and the payment banks in the platform.

Hardik Gandhi: On the international front because they are --

Deepak Thakur: On the international front. See international front, I think let me say that again, whenever there is you have NPCI taking or government taking UPI RuPay to global front and to those countries that is where the opportunity opens up. Right now the opportunity is majorly around NRE, NRO accounts, NRI accounts who can add UPI as one of the payment platform in their mobile app or they can transit. However, this has to open up further. So I still feel that if you go via UPI, there is still a lot of time that you have to invest maybe a year or more. But if you go as a payment expert, you will definitely have a footprint earlier. So that has been our strategy so far.

Hardik Gandhi: Understood, sir. Thank you, sir. All the best for the future.

Deepak Thakur: Thank you so much.

Moderator: Thank you. The next question is from the line of Saurabh from Sahasrar Capital. Please go ahead.

Saurabh Sadhwani: Hi. Good morning, everyone. So Deepak, I wanted to ask about the TimePay app. So, I saw the reviews on the Play Store. And I am seeing that users are not very happy with the app. It's not about means there could be problems like the UI is not good. It's buggy or laggy maybe for some devices. But the problem that users are expressing is that their money is getting stuck while making payments. So I would like to know what is happening there.

Deepak Thakur: I feel that, I mean, every single of those issues have been addressed because, okay, let me tell you that we did not have larger focus in TimePay. And every time anyone has asked us about this product, we have said that it is slightly futuristic in nature. However, last quarter, we took a decision to also take this toward monetization. And that is the reason why you will see a lot of action happening on TimePay now for last four to five months, maybe. During this time, since this is the stage wherein we have just gone ahead with a renewed pressure on taking this product customer-centric, we have come across these challenges. There is no denial to that. However, now we are, we have product tech business team completely aligned to TimePay and they are contributing to complete revamp of the solution.

Second point, when it comes to the money getting stuck or anything like that, there is a very strong compliance from our sponsor bank, RBI, NPCI, wherein as per the complaints, ombudsman complaint, we are supposed to resolve this in specific time. So we do not have any complaint as such, which is pending. And all of these have been settled really well. So, it is a slight bit of journey more, maybe a month more, wherein we will be up to the mark as for the industry.

Saurabh Sadhwani: Okay. Thank you.

Deepak Thakur: Yes.

- Moderator:** Thank you. The next question is from the line of Parikshit Kabra from Pkeday Advisors LLP. Please go ahead.
- Parikshit Kabra:** Hi Deepak.
- Deepak Thakur:** Hi, Parikshit.
- Parikshit Kabra:** Hi. I just want to first begin by saying that, I appreciate you taking the call this thing. It wouldn't have been an easy call to take up today morning. But I appreciate that you have maintained the discipline of doing the investor calls every quarter even though you do not technically have to. So your update so far has been very helpful Deepak, just one thing I wanted to ask is since Jan fourth quarter, fourth week was when things started returning back to normal. In the last couple of weeks what kind of return of your existing customers, your old customers how quickly are they rediverting their traffic to you. How quickly are you able to add new customers? How's that run rate going for you, are you finding any reticence in your old customers?
- Deepak Thakur:** So yes, there was a lot of challenge in reinitiating everything platform being completely new and then adding more banks to it, so obviously. There was an impact and that's why the scaled up team were able to maintain that. So most of the aggregators whom we work with they are now all aligned with us. And at the same time the onboarding process is completely begin for all the banks. It's not that one bank, but all of these banks.
- When it comes to run rate it will in fact, I would say that it will pick up, I mean, it is still picking up. So the numbers will be difficult to share right now, but these are early stages wherein first two, I mean, when I say fourth week of January almost by then we were completely able to close the pilot and then start the onboarding process. So the numbers are still working. In the sense, it is early stages wherein they will now go through that initial numbers and then they will actually put the entire traffic. So that's what I see right now. So Feb and March you will get.
- Parikshit Kabra:** Got it. And now that you have three sponsor banks and two more in the pipeline, going ahead, how will you channel your funnel your leads towards one bank or the other. How will you be prioritizing the new business?
- Deepak Thakur:** So banks are the decision maker now as per how we have actually looked at the entire structure, wherein have all three because we have not three banks. Each bank will have to be the decision maker of getting these guys onboarded. So if at all one of the aggregator is onboarded with two of the banks that is the advantage with us and the advantage for them also because now any downtime or any success issue they will have two banks to support as an alternate system and that was the beauty of EVOK 3.0 which we launched. So we feel that this will also further add to the increased confidence in traffic. So the decisions will come from banks and then depending on how many banks these guys are onboarded we will get an advantage.
- Parikshit Kabra:** Got it. So basically every acquirer that you get onboard you will make them available to all the three or four or five banks and the banks will decide if they want to approve or not. Whichever

bank approves you will provide the acquirer the ability to use all three of them, four of them, five of them, or whatever number that is available through your single API.

Deepak Thakur: Yes. Correct.

Parikshit Kabra: Perfect. Last question, the RegTech and UPI credit lines when are you planning on launching them and commercializing them?

Deepak Thakur: RegTech on payment platform, not credit line. RegTech on payment platform we have already completed. We are talking to a couple of big four to launch this solution as one of the best in the industry because we know that it does not exist. It should be by mid-April that we will have a complete full-blown product. However, let me tell you that this product we have already deployed as a mandatory feature for all our acquiring banks. So wherever we go as an acquiring bank, we ensure that this is deployed because this is more of machine learning and AI process. It is ultimately building a better IP for the product. So it is already live. I would say it is already commissioned in a certain phase right now.

Parikshit Kabra: And UPI credit line?

Deepak Thakur: UPI credit line we already went live last December for Canara Bank. Now we are waiting for the upgrades in credit line. There are two more tenders where we are part of. So it's already there. The product is live. As and when we go ahead, as and when the industry takes it forward, the guidance that we get from NPCI, we get it more and more monetized.

Parikshit Kabra: Got it. And this will be a take rate that you take on the loans that you disperse? What is the revenue model here?

Deepak Thakur: So the first year the revenue model will be purely TSP because the credit line is yet to be looked at. So, because there is lending involved in it, there will be a lot of inputs which will come as and when it goes ahead from banks. So right now it is ETV, bank's existing customer. So it will be more of a TSP business where we will get paid for the license. We do not want to do a SaaS model initially because the transactions will be lower. And as soon as it moves ahead, we have multiple banks who have the credit line in it. Then the acquiring piece will also start moving. So I feel that first year, '25-'26, it will add to the TSP revenue and it is later end of -- or I would say later half of '25-'26 is when we will be able to see that as payment as a lending platform where we can then start looking at the revenue from the SaaS-based model.

Parikshit Kabra: Perfect. Thanks a lot. Thank you, Deepak. Thank you, Ashish. Thanks.

Deepak Thakur: Thanks, Parikshit. Yes.

Moderator: Thank you. Next question is from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: And regarding this Slide 12, I think NFC devices, you said its \$37 billion. So what's our target market we want to target because I can see practically Paytm and PhonePe all over the place. So what are exactly we are targeting in this?

Deepak Thakur: So Paytm, BharatPe, the way they have captured the market with these devices, now banks also want to cap these devices. Each tender from the PSU bank is as big as 1.5 lakh, 2 lakh-odd Soundboxes and they pay for it. If you compare with the Paytm or BharatPe model, we are not in the cash-burn business. In fact, we can be your technology service provider and we can support your Soundbox, QR code, the entire recon, the entire platform on a subscription-based model. That is our pitch in the industry.

So, yes, so we started with about 1,000-odd Soundboxes earlier. We have gone to as much as 50,000 Soundboxes by the end of this year. So we see a huge jump right now happening in this particular segment, especially after the PIDF fund coming in, where the government is supporting for the expansion of the payment infrastructure development in the country. Now that in fact subsidizes the cost for banks. So out of 30 -- I would say that for us, even if it is about 0.5 million to 1 million Soundbox being serviced every month, that will add tremendously good revenue for us. So the target is to have at least 1 million Soundboxes being managed through our platform.

Ashish Soni: Okay. And about international markets, so can throw light what's the update on that last time? I think you were doing some sort of mapping if I recollect, based on the last call or maybe a quarter earlier, so where are we on that?

Deepak Thakur: So this quarter end, I think we will have an office in Dubai. So we have already applied for it. Middle East is the market where we are actually penetrating first. One of the deals for the Middle East, we have already closed. I think, I guess we might have, we might be monetizing it. And the deal is more from being the payment expert, the software business provider. So yes, Middle East, Dubai we will have our first office by March mid maybe or end.

Ashish Soni: What services are you planning sir? I did not understand that piece clearly.

Ashish Aggarwal: So these banks usually do not have interoperability or they do not have the acquiring network. They are entirely dependent on Visa, Master to bring their knowledge around acquiring. Whereas the Middle East market follows, they really look at RBI whatever innovation it does and then they adopt. This is the story of Middle East and African markets. So we being a technology partner to Indian banks, we are looked at someone who can actually provide the software solutions for them. So a platform wherein they can manage their merchants, a platform where they can manage the reconciliation they can manage the overall interoperable payments. So that is where we are now working with them.

Ashish Soni: Okay, thanks. Just one suggestion if you can elaborate for next year's financial planning the Slide 12 maybe add more depth to it that will be helpful for investors. That's a suggestion from my side.

Deepak Thakur: What is light well? Sorry?

- Ashish Soni:** Slide #12, the levers to broaden.
- Deepak Thakur:** Slide #12, sorry. Okay.
- Ashish Soni:** So if you can expand that for our reference in terms of what we are targeting that will help in terms of what is the strategy of the company may be next financial year forward.
- Deepak Thakur:** See, like I said, I think indirectly answered this, but let me let me reiterate the fact that last quarter has been really a lot of pressure and ensuring that we sail through maintain profitability, maintain positive EBITDA and at the same time bring the agility that we have, plus diversify de-risk whatever we can. So the result of it is next year the revenue will not only be from the payment platform alone but monetizing the other segments also.
- So our bet on the revenue will still be our online payments which we have maintained, the TSP business. Offline payment will start adding revenue. Bill aggregation will also start adding revenue. I see these coming really well for the next year when the visibility around the monetization I have. And beyond that the new lines of business around credit line and RegTech, they are I think only by next year we will come to know as in the process what kind of monetization we will be able to do. So that's how we intend to strategize the growth.
- Ashish Soni:** My only suggestion was if you can add, like, how much percentage you are targeting your revenue in strategy in this slide for the next --
- Deepak Thakur:** Right now to be open the existing business portfolio of the organization will be almost about -- will contribute about 85% to 90% odd and the new portfolio that we are building should add at least 10%, 15% in the P&L.
- Ashish Soni:** Sure. Thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.
- Prateek Chaudhary:** Good morning, sir.
- Deepak Thakur:** good morning, Prateek.
- Prateek Chaudhary:** Sir, this my question first is on the payment platform because that's where we have had most of the churn that has happened. So in the time that this disruption was taking place at the cooperative bank, our clients might have moved to other platforms who were giving similar services. And this was one of the questions that was asked previously also. So how easy would it be for us to get back those clients? And second, would there be any changes as far as the take rate is concerned because now we are starting with new relationships with these newer banks who are our sponsor banks in this payment platform. So would this mean that our take rate would undergo any significant change going forward?

Deepak Thakur: Yes, so you rightly pointed out earlier also like I said, I think the first part of your question, we -- I mean because these guys got impacted they obviously moved out to other banks, but the industry needs multiple banks to manage such huge volume of business.

Secondly, what is the value-added services and what is the problem that you are solving, which bank is able to solve the problem really matters and that's the hook wherein these guys come back. And we took almost a month to bring back these customers. So we have already gone through that journey. So I would say that now it's about the onboarding which is going on, they are already in a phase wherein they are putting in numbers, they are committing numbers and then the transaction volume. So all that is going on right now. So that journey we have gone through.

The second one is the take rate. I would say that the take rate will change, and it will balance out because now you do not have one bank, you have multiple banks. So each bank has its own policy how they want to monetize. So the moment they go ahead, the moment they go in the structure, the kind of engagement which we have, we personally feel that the volume will balance out for whatever changes the take rate will go through. So whatever change it is, I believe that it will not have an impact on the revenue, if that is what you mean, because the numbers will actually balance out based on the volume and the take rate taken together.

Prateek Chaudhary: Great. Great, sir. And this RegTech platform that we are building on top of our payment platform, what additional percentage basis points would we be able to earn, basis this service offering?

Deepak Thakur: Like I said, it is only in the April when we go launch, we will be able to commit the monetization. So it will not be basis points for sure, that I can tell you, but it will be pay per use. That means it can be based on transactions, it can be based on the number of merchants, it can be based on the number of compliance reports. So all taken together, it is a massive data point that you will be mining. So let us reserve it for the Q4 end because we are yet to get the number. That's why I am not committing the RegTech number right now.

Prateek Chaudhary: Right. And just final question --

Moderator: Sorry to interrupt sir. I would request you to rejoin the queue for your follow-up question. Thank you. The next question is from the line of Subhash from Value Investments. Please go ahead.

Subhash: Hi, sir. Thank you for keeping the call so early to clarify for the investors. So you mentioned about the RegTech and you also said you are also in talks with a couple of big four accounting firms. What was that about? Like why are you in talks with big four with regard to?

Deepak Thakur: See, when you say RegTech, you are actually bringing compliances and you are bringing auto audit process. So you are actually creating that audit in the system, which otherwise is only on demand or periodic in nature. What we intend to do is that make it real-time right then and there itself. So there are certain advices we are taking, we are talking to these guys. We are also adding their inputs and that's the point, yeah.

- Subhash:** So only to take their advice?
- Deepak Thakur:** Take the advice and then how do we partner with them so.
- Subhash:** Got it. Okay. Thank you. Because you also mentioned that, and when you go to acquire a bank, you said that this RegTech will also be part of your service, right? So if you are offering to the bank then would it reduce the work for the accounting firms in their audit work.
- Deepak Thakur:** So, when it comes to financial audit that's not what I am touching. I am talking about the compliance audit that you should be doing for the transactions and the merchants in your system. You should be looking at the re-underwriting process, you should be looking at the process that you have implied in the acquiring system. So all of that has to be inbuilt which otherwise is more of a manual job or more of just a website being claimed that, this is where it can work. So, that's the layer that we are deploying. Hence, we are making it mandatory to push it on the acquiring system wherever we go forward with. Second, that's to ensure that our banks are much stronger and they have very strong value creation in the industry whichever bank we work with.
- Second, monetizing it further, that's the first part. So the second part is monetizing it where we feel that working with the big four makes a lot of value creation.
- Subhash:** Got it. Thank you so much for the clarity. My last question is about the numbers again, so I know that you clearly said the 75% gross margin is achievable, but you are not fully confident. But when I look at the revenue that you have achieved in nine months its Rs. 146 crores, so the remaining would be like Rs. 75 crores. So in the last quarter, you did Rs. 68 crores. So assuming that this quarter was the only quarter which got affected due to the change in policies in the cooperative banks, would you not be able to do at least the same revenue associated in Q4?
- Deepak Thakur:** So, I was very honest even for this quarter, I said that there is a spillover which has happened in this quarter for the month of January. However, your full blown income is now going on from here onwards. That entire calculation will happen later that's why I do not want to commit a number. But yes, that is definitely in our sight what you are saying, yeah.
- Subhash:** Okay. Got it. Thank you so much for all the clarity. I will fall back in the queue. I just have one more question but I will just leave it for a bit.
- Deepak Thakur:** Okay.
- Moderator:** Thank you. The next question is from the line of Yash from Stallion Asset. Please go ahead.
- Yash Gandhi:** Hi, thank you for the opportunity. I am sorry, I actually missed the initial commentary in the call, I joined late, so apologies if my question is repeated. So, I just want to understand, what was the major decline in your revenue on Q-on-Q basis, like, did you lose a customer or just, if you can just sort of brief me quickly, like, what happened? And my second question is that, your FY '25 guidance, I understand that you will revise in Q4, but would you be able to possibly give FY '26

as well? Will you have the visibility of revenue for FY '26? Those are my two questions. Thank you.

Deepak Thakur:

So, first one, I will just share what I exactly have shared with everyone here right now. So, we have two business vertical. One is a technology service provider, the second is payment platform, okay? In the second vertical, we are providing the platform to banks and aggregators. Now, our primary source was a bank from the cooperative segment. Now, it was during the end of Q2 when the bank policies changed, and the acquiring policy was to be relooked for cooperative banks. Now, this is when we got to know this, we put up this message on NSE that there will be a short-term impact on our revenue.

Now, this is temporary in nature. However, we did not know how long this will take. And it has taken the entire quarter, in fact. Now, this has caused a dip in the payment platform vertical. We did not anticipate this earlier, but we are better off now because the policy changes has been completed, the acquiring business has started. So, yes, that's the major reason.

Secondly, like I mean, I do not know if I am supposed to touch the FY '25 guiding question once again, because I think I have already answered three times. For FY '26 also, I think there was one question which I clearly mentioned that we have a lot of visibility around the payment platform, around the new line of business that we have got through offline business, which is Qynx platform, and then monetization of bill aggregation, which was launched in Q3. So, these three will contribute well and the credit line business. So, so financial year '25, it was entirely payment platform, but in FY '26, we have three more verticals. All taken together, we have maintained the wish list for the, the similar growth strategy. However, I would still reserve my answer for Q4 end.

Yash Gandhi:

Sure. So, the cooperative bank that you are talking about, so now they are not a part of our customer list or?

Deepak Thakur:

They are.

Yash Gandhi:

Okay. Got it. Thank you.

Moderator:

Thank you. The last question is from the line of Mahesh Sheth, who is an individual investor. Please go ahead.

Mahesh Sheth:

Yes. Good morning.

Deepak Thakur:

Yes, Mahesh. Tell me.

Mahesh Sheth:

My first question is that, how is the planning for adding value-added services progressing?

Deepak Thakur:

So very interesting, good question. So when we say value-added services, as in when we go ahead, we come to know what are more problems in the ecosystem, which can be solved by bringing the value-added services. So auto reconciliation was one of the problem statement, which we have

solved in EVOK 3.0. And let me tell you that we have been able to add revenue through these value-added services in two new contracts that we got between Q3, Q4.

So as and when we go ahead, we will definitely find more options around it, like dispute resolution. The dispute resolution in UPI was entirely manual in nature. Now we were one of the first one to step into it because our aspiration around building a strong merchant ecosystem for banks is very high. So we built the Merchant Online Dispute Resolution as a POC with NPCI somewhere in '23 GSS, somewhere August, September 2023.

Now that we have been able to monetize here because now the volume of business has increased and the dependency on online dispute resolution is higher. So that is also we were able to monetize. So onboarding process is something which clearly depends if at all bank wants that as a separate piece, that is also sellable. So that is how we look at the monetization of value-added services.

Mahesh Sheth: Okay. Got it. That's a great insight, sir. And sir, my last question is like core banking like HDFC, ICICI, et cetera. So now on core banking UPI part, how are we going ahead?

Deepak Thakur: So wherever there is a demand for secondary switch, we go for it. Now we are also selling only acquiring only switch as well. I mean, majorly the requirement will boost in the cooperative segment because they will now be coming in acquiring. So wherever there is an acquiring switch requirement, they all are issuer in nature. Out of 640, 70-odd banks, I do not have the exact number, let's say on a higher side, 80-odd banks have the acquiring switch as well. So rest all 550-plus banks, they are all in issuer stack alone, of which all those banks who wants to add the UPI acquiring stack as well. We get that as an opportunity. So that is one.

Secondly, wherever there are large banks, and they see the volume increasing, they feel that it can be balanced by bringing more switch in place. That opens an opportunity for us. So these are some of the changes in industry happening. And we are -- my sales team is actually able to create a better funnel than what we had last year.

Mahesh Sheth: Okay. Got it. That's it from my side. Thank you.

Deepak Thakur: Yes. Thanks.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Ms. Vaishnavi Ambokar from Kirin Advisors Private Limited for closing comments.

Vaishnavi Ambokar: 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.

Deepak Thakur: Thanks, Vaishnavi. Thanks, everyone.

Ashish Aggarwal: Thanks, Vaishnavi.



*Network People Services Technologies Limited
February 14, 2025*

Vaishnavi Ambekar: Thank you, sir.

Moderator: On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.