

SYMBOL: NPST
ISIN: INE0FFK01017

Dated: 31st July, 2023

To,
The Manager-Listing Department,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building, Bandra Kurla
Complex, Bandra East, Mumbai – 400 051
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**SUB: TRANSCRIPT OF THE EARNINGS CONFERENCE CALL OF ANALYST/
INVESTOR FOR QUARTER ENDED 30TH JUNE, 2023.**

Dear 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 30th June, 2023.

The same is also available on the website of the Company.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

For Network People Services Technologies Limited

Ashish Aggarwal
(Joint Managing Director)
DIN: 06986812



“Network People Services Technologies Limited Q1 FY24 Earnings Conference Call”

July 27, 2023



**MANAGEMENT: MR. DEEPAK THAKUR – CHAIRMAN & MANAGING
DIRECTOR, NETWORK PEOPLE SERVICES
TECHNOLOGIES LIMITED
MR. ASHISH AGGARWAL – JOINT MANAGING
DIRECTOR, NETWORK PEOPLE SERVICES
TECHNOLOGIES LIMITED**

MODERATOR: MR. GOPAL CHANDAK – KIRIN ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY24 Earnings Conference Call of Network People Services Technologies Limited hosted by Kirin Advisors.

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 “* then 0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors. Thank you and over to you.

Gopal Chandak: Thank you. On behalf of Kirin Advisors, I welcome you all to Network People Services Technologies Limited Q1 FY24 concall. From the management side, we have Mr. Deepak Thakur – Chairman & Managing Director and Mr. Ashish Aggarwal – Joint Managing Director. Now I hand over to Mr. Deepak Thakur. Over to you, sir.

Deepak Thakur: Thank you so much, Gopal and thanks everyone for joining this call.

First of all, congratulations everyone, all my shareholders for the kind of efforts that NPST has put in. I'm really excited to share the results now and I also welcome everyone those who really want to hear about this story what exactly and we are still growing, how we have arrived here and what is our next roadmap.

Apparently, every time we see the Q1 Results, it sets the tone for the entire year. It gives you an idea whatever organization has spent on, whatever organization is working on, whatever funnel we have built in, how this is going to pan out. So, what I will do on this call now for everyone to have a very structured understanding, I'll quickly give you highlight on the results that we have. Second, for the Q1, for those who have joined for the first time or those who want to have a deeper understanding about our business, I'll give you an idea about our business model. Third, I would like to cover a quick understanding about the industry landscape where we operate so that you can relate to our roadmap. There are few business wins, which I'll share with you, which has already been shared with NSE. And there are certain internal upgrades in the organization, which I would like to share with you guys.

So, I'm really happy, I don't know how to share this in words, but just to give you an idea, we have grown exponentially this quarter. Q1 FY24, our revenue stands at 24.8 crore as against Q1 of last year, which was just about 3.39 crore, which is 8 times jump. Our EBITDA has gone to 7.9 crore as against 90 lakhs last year, which is about almost 9 times jump. Our PAT is now 5.15 crore for the quarter as against 14 lakhs. I don't want to share the percentage jump. And finally, our EPS, earning per share is about 7.98 given for this quarter 1 against 0.20 for the last year Q1. So, that's how your organization has proved the scalability of the business model and now you can see quarter-on-quarter, the impact coming on the numbers.

To give you a very quick journey on the organization, we are operating purely on the digital payment segment. When I say so, there are two areas that we focus on. One is obviously banking. When I say banking as a service, we are talking about how we empower banks on digital payments. I would say that 6 to 7 out of 10 digital transactions in the country are on UPI. Now when this is the volume it is managing, then your organization is actually one of the processing engine amongst the other competitors in the market who are managing about 7% to 8% of the country's volume or whatever number I have shared with you. At the same time, we have other products such as IMPS. Again, a digital product used on any platform. We have mobile banking super app for banks and we obviously stayed invested in the merchant story because we knew that when you have digital payments in order to monetize it, you obviously need a merchant platform and that is what we built in form of Qynx. So, these are four major backbone of the overall solution that we have in the organization, which we are currently giving it to bank either on license or SaaS based model.

The second one is obviously being technology partner to Fintech, new banks and payment aggregators. What exactly we do is basis our TPAP, we focus on building the enterprise business on API. We have built the API which we empower bank to operate merchant ecosystem. That is where we are providing API for UPI on which most of the collections for merchants are taken care. We are indeed looking at scaling this business, both the business that I'll cover in the next point. And these are two major vertical guides where we are currently operating.

Just to give you a quick idea. Like I said, UPI is UPI numbers are staggering, but actually that is one of the main reason for the companies like NPST to give such a splendid performance, because this creates a whole lot of opportunity for us. So, we being in this space helps a lot because we don't restrict ourselves only to the specific requirement of our bank or new bank. But we keep looking at opportunities across industry segments and we try to see where the problem exists and where the gap can be filled. If you see the entire industry, it's about 9.5-9.6 billion transactions every month, which has been reported right now on UPI. There are N number of opportunities coming in, but some of the bigger opportunities that come on UPI is obviously UPI global, there are opportunities around UPI credit card. So, credit card keeps coming in UPI. We're talking about cross-border transactions that which will be coming effectively on UPI in coming future. So, all of this is going to give an ample opportunity for the companies who operate in this space and that is where they will need tech partners like NPST where we have built our API gateway. And at the same time, banks will make TSP technology service provider, like NPST to empower them with banking as a service. So, these are the areas that you should start relating your organization with.

When it comes to new business, we got two big brands, one is Jupiter. We are working on RuPay CC or UPI. I hope you might be aware that until now you are transacting on UPI by your bank account, you will have an opportunity to now transact with RuPay Credit Card on the same application. So, today if you're doing scan and pay through bank account, you can do scan and pay through your credit card as well. So, that is the next step what UPI has taken. We got an opportunity to build the credit card piece of UPI and that is what we are doing for Jupiter. Bank

of Maharashtra is second big public sector bank, which we have acquired after Canara Bank on online dispute resolution system. What exactly happens is as per the dispute resolution guidelines, every bank is supposed to have an integrated online dispute resolution system to solve customer problem, which can be a single window for every single payment channel or every single platform, which bank has, it may be IMPS, UPI, mobile banking, internet banking, credit card, debit card, prepaid card, all the instruments that bank has. It should have an integrated and single online dispute resolution system which can solve the customer problem. So, that's the win which we have gone through, through a very competitive bid in Bank of Maharashtra. We foresee huge opportunity around this space as well. This will add to one more product stack in the organization kitty ultimately opening doors for newer opportunities.

Internally, in order to strengthen the organization and scale it further, there are huge cultural impact which is happening with the growth that we have and that is why I hope you're aware that for last year we added CXOs. Chief of Business Operations, Mr. Prashant Rao, who is taking care of strengthening the organization internally. At the same time, we are also filling gaps in the organization where we see larger opportunities and where we can put people and that is where we made two big additions this quarter; one, Mr. Apurva Chamaria who is Head, Partnership Startups & Venture Capital, Google India. He has joined NPST as Non-Executive Director. This is part of NPST's board expansion where it wants to strengthen its team in such a way that they can guide and they can bring in very strong value adds to the organization. So, NPST will not stop here. It will continue to expand its board. Second at the CXO level, we have added Mr. Pavan Kumar, who comes from the background of being one of the key product guy in NPCI and Razorpay and he brings with him a complete experience which adds exactly with the product stack that the organization has. He joins us as a Chief Product Officer, so he will then start building our partner relations, will start building our product strategy and it will help organization to see future ASAP and my CPO will be able to focus on creating a very strong technology stack of future. That's exactly what the organization envisions.

Business opportunities, yes they are coming as and when the market is expanding, organizations like NPST gets the biggest opportunity being in this space at the right time. That's from my side, guys. I would love to take questions from everyone. It is your call. I would love to hear from you.

Moderator: Thank you very much. We will now begin the question and answer session. We'll take our first question from the line of Sajal Gupta from FE Securities. Please go ahead.

Sajal Gupta: So, my first question is that you have just won a Bank of Maharashtra ODR contract. Now if you could just elaborate what it is exactly and how do you see the future in this part of the game?

Deepak Thakur: Thank you so much, Sajal. Really happy this question coming up because it is the product which we are probably talking for the first time not in the earlier earning calls. So, please try and understand today when you have the disputes with your bank, you have multiple channels. You have UPI, you have IMPS, you have Internet banking, mobile banking. You go to every single

channel to complain, and then you have to wait, you have to track, you have to understand what is your response time as per the RBI guidelines. And at the same time, you do not have the escalation matrix. What RBI saying that I want to empower my customers in India, there is huge number of digital transitions happening. How is that we can resolve this issue? So, they said every bank is supposed to have a single integrated system which will give a single window facility to every single customer of bank. Now here even if your problems are on Internet banking or mobile banking, you have a channel wherein you can complain on that particular window where you can select any transaction, you can select any channel and you can expect response from bank at right time and at the same time you have an escalation as well if it hasn't been responded. Although banks have dispute resolution, they do not have such a detailed integrated structure. Not every bank has it, and the best part is because this is a regulatory requirement, every bank will have to do so. We see that this is one of the first such products which we have won through tender and for us it is first mover in the market. If I take the universe of UPI alone, there are 450 banks on UPI platform. That's the universe probably we are talking about. For NPST that the universe we are targeting, I would say that there are small banks where probably the value may be very small, that's fine. But even in big banks, even in mid-sized banks, we see good opportunity. So, the one question which I got maybe in one of the early call is why we have probably less number of banks. This is the product which is going to ensure that we solve that problem and we have entry strategy, the right product and right positioning at the right time. And this is the product which will help us create that inventory of banks for NPST. I hope you get to know the universe, so you can actually understand how big this particular product can be. Riding on this product, NPST can do much more beyond this. It will open gate in next 2-3 years to keep building solutions and keep building data and certain platform requirements which bank may have. So, this then becomes a very, I would say, within banking as a service, this may become one of the product verticals. This is what I foresee for the next 2 years.

Sajal Gupta: So, this this contract will help you to enter a lot more banks. And then you can do the same kind of APIs which you're doing for Canara Bank and others right now?

Deepak Thakur: So, this will be a different product altogether. It helps me build the entry strategy for multiple banks and on this product itself over a period of time, there will be new developments which will keep on coming.

Sajal Gupta: So, the numbers which you have shown in Q1 right now, you will be able to maintain those numbers going forward with the current year?

Deepak Thakur: As an organization, this is what we want to achieve and that's our target.

Moderator: Thank you. We have our next question from the line of Himani Uban from Sooraj Enterprises. Please go ahead.

Himani Uban: My first question is how do you achieve such a high year-on-year growth and net profit in Q1 FY23 and can it be sustainable in long term?

Deepak Thakur:

Good analysis, Himani. So, just to give you an idea, if you're following the company for last, I would say, 3 quarters now, where we are doing earning calls, I've clearly mentioned that earlier we were dependent on one particular segment of business and our product bouquet was less. That is where we decided to go for IPO and start exploring the newer opportunities and the areas which we foresee and that paved the way for us to build the second vertical. September is when we started encashing the business opportunity that we started getting from the second vertical and at the same time we got new product launches in our existing vertical. So, both my verticals started showing results. So, Canara Ai1 got launched in July 22 and my Evok got launched in September 22. It had a staggering impact on the organization, and since then we have decided to continue our product story and the vertical story quarter-on-quarter keep building, keep building. So, if you're comparing Q1 of last year with Q1 of this year, absolutely great result. And if you see the overall business that we were catering in Q1 versus the business that we have right now, there is a huge impact. So, it's not on the same product stack, but it is because we have more products available right now. And then we have new business segment available right now. All that taken together, it has a consolidated impact on the revenue as well as the margin. So, if you see the growth from Q3 last year, Q4 last year and Q1, you will see consistent growth.

Himani Uban:

And how does your focus on the fintech industry and merchant strategy contribute to significant year-on-year transaction and merchant growth?

Deepak Thakur:

So, if you know NPST's tagline "Innovation in every bite," what we exactly intend to do is see we know that digital payment is where there is one of the greatest opportunities in this country and we have been in this segment since 2014-15 now, okay. And this has helped us gain experience and understand the market landscape. For merchants, we understand what is the requirement and at the same time we also understand what is the regulatory need and at the same time we understand what is the customer requirement. All this taken together gives us a universe of opportunity. So, like ODR, I give you an idea that is where the regulatory requirement comes in. But on the digital payment side, on the merchant side, today we are giving them solution on select, at the same time we know there will be a requirement for subscription based payment solution. So, that is where Autopay comes in. The moment I launched an API for Autopay, I will be able to empower fintech on Autopay. That is the requirement for payout which is remitter API. The moment I launch payout API, it gives us an opportunity to explore more revenue from the same set of merchants. Then we also worked on verification API where the authentication of the user can be done before making fund transfer. Industry used to call it as penny drop, so that is again a new launch. So, within Evok system itself, we are continuously adding stack. We're continuously adding solutions based on the use cases which are available in market and that is what is helping us get more traction into the merchant business. And at the same time, we are very cautious to not be dependent heavily on something which is giving us great revenue source and that is where we are trying to also look into this stability. We are also trying to look at what we can bring in to, to have the overall growth of the organization. So, we are at least in that position to take decision right now how to absorb business, what set of merchant to cater, what category of merchant to look at. So, these are the areas which help us grow in the merchant category.

Himani Uban: What market opportunities do you foresee for the launch of UPI Credit Card? And how is it different from the other payment options?

Deepak Thakur: So, I see that if NPCI targeted 30 million transactions every month and they are already sitting at one-third of it, credit card will bring in that additional numbers in UPI platform. So, let us understand the user behavior that exists right now. You need a credit card, you go to a bank or you get a call center, call where you apply for credit card, then you get a physical card and then you transact wherever you go. It is a usual customer habit if it is Rs. 500 or Rs. 1,000, I will swipe my credit card. If it is lesser amount, I will open UPI scan and pay or I will pay cash. Just imagine you are able to now apply for credit card virtually on the fly, you are able to link your credit card to your UPI app and then you are able to transact on the same QR code where you are using your bank account. Now this creates a huge possibility of business coming around in the segment. It is going to empower fintech. It is going to empower companies in payment segment or maybe companies who are involved into digital lending, NBFCs, companies involved into BNPL, so it opens gate of credit in the UPI system. And when that happens, it will have product requirement, it will have solutions requirement, it will have services requirement and that will open gates for NPST. So, any impact which is going to change the consumer behavior, we are tracking that closely. And that has a direct impact on the organization's product strategy and prioritizing the resources accordingly.

Himani Uban: And can you explain your digital ERP over the cloud and how it stands out from other financial value chain management solutions?

Deepak Thakur: So, what we're also trying to see is whether there is a value-added services available in the system. Are we working in vanilla payments or we are trying to also give some value-added advantage for our business and that is where we are consistently working on digital team. We have carved out one team separately where we are working on focus merchant category. Just to give you an idea, let's say school is one category or society is another category. So, when you talk about society, are we able to empower them to generate volume collect payments, give them reconciliation, give them receipt, give them communication channel. So, all of that taken together it will empower the society to use the payment stack if they don't have right now. So, our intention is to create that open platform for such small merchants who can actually utilize this solution and solve their collection problem. This can be achieved with strategic partnership where obviously we not being a fleet on street company, we will either partner with banks or will partner with large fintech, those who need payment and value-added services and that's where the ERP will come into picture.

Himani Uban: What strategies are you employing to maintain your leadership position in India's fintech landscape amid growing to a competition?

Deepak Thakur: So, old business school, very clear. We believe that there has to be a horizontal and vertical rule strategy both. Vertical is obviously new line of business. For that, aligning ourselves with strategic partnership in industry, having relations across the segment where the demand exists

and having a strong banking alliance sales team and an improved structure where we can solve the customer problem and not sell the product. So, that's about vertical growth when it comes to accounts. Second is horizontal growth. We have specific target every quarter where we foresee what is the requirement in the industry for which we align ourselves with industry patterns. We just don't build any products just on the sake of doing a research and just trying to sit across and create a value or build a value. Instead, what we see is that whether there is a particular need coming in from the regulatory bodies or banking segment or the Fintech segment. We sit across with them, thanks to our consistent, if you read our mission statement strategy partnership, thanks to that, we are able to foresee what would be our product development stack, what would be our future requirement, basis which every quarter we target on building those solutions. So, although we have revenue coming in from existing products, we know FY25 can be achieved only if we build certain products, probably in Q2 or Q3 of FY24. And then operational efficiency, sales efficiency, competitive advantage, now all those are boardroom discussions. So, yes, vertical and horizontal that is how we have built our growth strategy.

Moderator: Thank you. We have our next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Sir first up, I just wanted to understand is there any kind of seasonality generally we see in our business?

Deepak Thakur: Bit of yes, I would say that you can link to what I mentioned, your business soars during festive season, so your digital transactions will obviously jump. But at the same time, there is also consistent growth in transaction, thanks to new product developments and new requirements in the industry. And thanks to the push from the government itself. Seasonality, obviously, like I said, Diwali will be a peak season. Or I would say, maybe when you're ending your financial year during that time or vacation time, then there may be a different set of transaction requirements. Now we don't account international transactions, let's say during vacation season. If UPI is going global, then it will have a direct impact on of the vacation season as well on the transaction. Then if you look at monthly data, you'll realize that during salary, you do maximum transaction until your account is fully utilized or your commitments are met. So, during the first 5-10 days odd, you will have peak transactions coming in and then slowing down over 3rd or 4th week of the month. So, that's how it works.

Deepak Poddar: So, generally, third quarter is what where we can see some positive seasonality, right?

Deepak Thakur: I can say so. But frankly, we haven't reached. Last year since we were not there in Q3, that particular impact to benchmark, we would also like to see how those numbers arise.

Deepak Poddar: And in terms of margins, so what sort of sustainable margins our business or the kind of product that we are into, we are looking at going forward?

Deepak Thakur: Frankly, we would like to maintain this EBITDA whatever we have shared. As per our benchmark, we foresee that we should be continuing with the same margin whatever we have declared right now or it can only improve from here because we are a product company, we are not only services company. And once you build a product and you increase your like I said, vertical strategy, if you increase your accounts, cost per implementation goes down and that is where your margins improve.

Deepak Poddar: Yes, that's what because you will get the leverage advantage, right.

Deepak Thakur: Yes, absolutely. I see that ODR for me is an investment for next 2-3 quarters where we are going to continue to build stack and we'll have a tremendous competitive benchmarking and pricing and as soon as we capture a good market share and that is when we'll start leveraging it. So, yes that is how it works.

Deepak Poddar: So, ideally your potential can be much higher, right? I mean from this 30%-31%, once you scale up your business, right?

Deepak Thakur: I would say that strategically as an organization, if I stick to the same product, I will be obsolete in 2 years. So, you're right in the sense that I keep one single stack and continue to calculate on that. It will improve, but at the same time please understand it's a banking business. It's not like every month we acquire an account, the sales cycle is much larger. If it is large band, mid-size band, there is a huge amount of technical evaluation, product evaluation, functionality understanding and then only you get the account. So, by the time we start acquiring new account in the existing product, there is a need for the new product in market and that is where we try to keep a good bouquet of fund for our R&D and certain developments. And that being our strategy to sustain business and continue to keep looking at stronger solutions and futuristic solution, that is where apple to apple you will not get the kind of margin, you know exponential margin growth.

Deepak Poddar: So, what sort of investment we are doing in this product development or the new technology development and do we capitalize any sort of debt investment into balance sheet?

Deepak Thakur: So, simple answer, yes, we capitalize on the product development. So, just to give you an idea, today the technology stack on which we are working, so I don't know how technical the audience is, I'll try and explain this, maybe you guys might have heard about Java and there are certain development which happens on Java stacks. Now the industry moves towards microservices, but the language is Java. Beyond that, there is something new coming as Node. You know that's a completely different platform which suits certain type of requirements wherein portal related development, all those things work out. So, one, the engineering piece needs a consistent investment every 3 to 4 years or I would say every 2 to 3 years to ensure that we are abreast with the industry demand. I mean, just to give you an idea of 2018 when we migrated to microservices, we projected 60 lakh transactions a month on UPI. Somewhere in 2017 end is when you're calculating the load that stack can take. Today, with consistent upgrade, the same

stack is doing about 3 crore daily transaction. Now you compare 60 lakh monthly versus 3 crore daily. Now that is the amount of upgrade we need to continuously do as an organization. That's why I said apple to apple, the company will be obsolete. So, that's the technology side. Second, I would say that keep looking at the market. So, the moment RBI coming up with RBI innovation hub, that means opportunity is opening up for companies like us where they will invite all the companies and tell them these are the problem to be solved in the industry. Are we aligned with it? NPCI coming up with continuous product requirements, are we aligned with it? Bank coming up with continuous challenges around fraud, challenges around increase in transactions, are we aligned with it? So, that's the investment NPST continues to do. So, I will relate this to ODR. Today, the ODR order that we have for Bank of Maharashtra, we are investing into it such that we shape it into a beautiful product flavor which maybe 2-3 quarters, later for us it will reduce the cost for every implementation and not to create a project but to product and then when we do this, obviously there will be certain capitalization.

Deepak Poddar: So, what sort of capitalization we do every year?

Deepak Thakur: I will ask Ashish to take this up.

Ashish Aggarwal: No, such more capitalization in this year, but we are bound to do in, I think coming year due to new products are coming up. So, last year we were more focused on operation and the business side. This year, we have to develop some new products also. So, we will do some capitalization.

Deepak Poddar: So, I was just asking quantum, what was the quantum last year and what is expected this year?

Ashish Aggarwal: Last year, I think couple of 2-3 crores, if I'm not wrong, something around that and this year might be 3-4 crores.

Deepak Poddar: Yes, I understand. And my final question is regarding one of the comments in your press release, you mentioned that we anticipate the upward trajectory to persist, which is driven by the UPI's global expansion. So, you have to look at over next 2 to 3 years, what sort of CAGR we might be looking at in terms of the topline, so any flavor on that would be helpful.

Deepak Thakur: Because it will be quite difficult for now to arrive at the number, but I can tell you that why that also you need to understand. When we say UPI global, we are talking about international transactions. So, it will go in phases like this time it is about Indian audience travelling to Nepal or US or France being able to utilize UPI for transaction. Then if it is vice versa, maybe other entities will start coming in. Today for me, my customer base is PAPG and that is domestic. Tomorrow we need to see what is the opportunity available across international PAPG. What are the FEMA guidelines? So, all that will obviously add to my revenue source, since it will be global transactions, the revenue opportunity will be higher as compared to the domestic because there will be exchange. So, impact wise, I think we'll have to at least wait for couple of quarters right now because we have not yet expanded in as a country in these many locations. So, we will have to stay put for sure. On the banking as a service side, we are getting new change requests,

we are getting new requirements which we are building up and we are adding to our UPI stack. So, that's the opportunity right now. Two years down the line, we'll start interacting with the international players and we'll start giving them the solution. So, that's how it will turn out.

Moderator: Thank you. We have our next question from the line of Dhruv Mehta from Sovereign. Please go ahead.

Dhruv Mehta: I just had one question that recently like Zomato has put out its own offering where they will have their own UPI through their own app itself. So, what kind of role we can play like in the implementation of UPI in their own apps, like through all the other such apps. So, do we have a big role to play over here?

Deepak Thakur: Absolutely. This is what exactly we did for Jupiter. So, when companies like Zomato or Jupiter, they need technology SaaS to empower them with the payment fee. So, please understand they are on the B2C business. They have their own focus area. They cannot be building the payment solution. For that, they need an expert who comes with that ready solution, technology and the future understanding and that is where they partner with entities like us where we can not only build a stack for them right now, but we also have a ready platform and at the same time, we come with the future vision on continuously supporting these companies.

Dhruv Mehta: And is there any current interest like currently is there any interest from any such apps or any such companies?

Deepak Thakur: Of course, we have funnels and we are talking to lot of fintech. So, yes that's with my sales team answer is yes, there is a funnel available for that. So, we have fintech funnel, we have banking funnel, we have new bank funnel.

Dhruv Mehta: Fair enough. And one more question, like on the financial side, with the run rate we are going like so for the full year can we expect the same numbers to play in and the margins as well or what do you think what could be the numbers for this particular year?

Deepak Thakur: Dhruv, frankly, that's what organization wants to achieve build in consistency of growth. And at the same time, there is a larger challenge in building the stability as well for the next 2-3 years. So, we as an organization is committed to both the areas wherein whatever I explained to Deepak about or Himani about how the organization is spreading out in terms of its product strategy, the horizontal growth, the vertical growth and at the same time, it also does not want a single point of failure, so it is looking at multiple categories of merchant, multiple business opportunities, multiple areas where to cater on. So, that is what we are committed on and yes, we are targeting, my team has a very clear target to have the consistent growth quarter-on-quarter.

Moderator: Thank you. We have our next question from the line of Dipika Chadha from Kojin Finvest. Please go ahead.

Dipika Chadha: Sir, I had one question. As we are transforming into digital currency where there is no involvement of mediators which is bank or fintech, so will this be a threat for us in future?

Deepak Thakur: No, Dipika, it's an opportunity for us. So, let me explain that the ecosystem which has been built by RBI, ultimately the digital currency will be through banks. It will not be without bank. So, your digital currency, whatever you will download from your bank account, keep it on your mobile application, ultimately you will have to link your bank account to your wallet where you are holding your digital currency. So, banks will play a pivotal role in making this a success. For us, it's a huge opportunity to enter CBDC domain and that is part of our product strategy and CBDC is number one on our priority list. And this is exactly what we're trying to build in, just like I explained ODR opening up gates for us. I foresee that CBDC is the future because that's being backed by RBI. So, as a technology service provider to bank, we'll be playing the role and just the way UPI has evolved over 3-4 years down the line, CBDC will also evolve where it will start playing an active role for the Fintech in the industry and that is where Fintech will require tech partners like NPST to empower them on digital currency. So, we are focusing on this area, yes.

Dipika Chadha: So, basically new products launched in Q1 FY24?

Deepak Thakur: Product launch, UPI CC as an independent stack we were able to take it forward, that's why we got Jupiter account. ODR, I think is just recent, but that, although developed, we are upgrading like up to the next level. On API which I mentioned, we have tested 3 to 4 new use cases which will actually go live in Q2. On the TSP side, a lot of new requirements on the bank account for our Super App. And that is where we are working with that. So, I would say that probably 2 to 3 new products is what we have got in Q1.

Dipika Chadha: So, are we opening any new centers in FY24?

Deepak Thakur: I see that this is enough for now. We have not just open new center, we have expanded our existing center. So, we added Bangalore as a new facility and we didn't add Bangalore with 5, 10, 20 seats, we added Bangalore with 100 seats. So, that's ample size right now for the financial year. Secondly, we are adding capacity in Noida and we have scaled in Mumbai also. There may be a possibility wherein my business team will require focused office because we are looking at larger reach. That may be not small but focused space, business development office. Beyond that, I don't see any requirement.

Moderator: Thank you. We have our next question from the line of Amit Chordia from World Foods LLP. Please go ahead.

Amit Chordia: Sir, you suggested in your last call that you're looking to add on 3 or 4 more large banks. So, any banks that we are talking to for the Super App?

Deepak Thakur: For Super App, yes, so we are talking to few banks where we are expecting the requirement coming in. Haven't got the deal closed yet, but the funnel is on. There is indeed lot of change

which is happening in landscape. So, I see that Q1 we haven't been able to click Super App business, but the same account which we have been discussing in Q4, that is still going on. So, the cycle is actually longer.

Amit Chordia: Alright. And on the horizontal growth front from the existing 11 services, we were going to expand to 75 services. So, could you throw some light on what phase of development are these in and how big are these markets when we develop these services?

Deepak Thakur: So, like I mentioned, on the horizontal growth, we want to achieve 70, but that's not quarter-on-quarter. Obviously, it's yearly target. We have added 4 new APIs like I mentioned this in last quarter is like this quarter, so your NPST is the first company which has been able to launch the refund API in UPI merchant ecosystem. So, you will see the news soon in market. Payout API, so it's all about collect business and merchants where they need API to collect payments against the services they deliver. On the other hand, if you talk about reverse when merchant needs the payout facility to make certain payments, bulk payment, so that's the API that we have worked on before making a payment can we do verifications? So, you don't need a penny drop now where you have to actually pay to check if the bank account name, that is perfect. That's not required right now, you can hit the API, get it done. So, these are some good solutions which team has worked on. I see this getting added to stack and I think our sales funnel is getting updated.

Amit Chordia: And also one last question because the industry evolves so fast in the near future, so 3-4 years down the line, how big do you see the addressable industry for us becoming in terms of size?

Deepak Thakur: I think, let benchmark it with the UPI zone. So, if you see the number right now, 9.5 billion going to 30 billion we see growth. I mean not flat, but confirmed, that's how the industry will grow in next 2 years. Around this, see this is a transactional growth, okay, when this happens, there is a huge load in the system. There is huge load in the technology requirement. How to manage such load? How to do a complete reengineering of the solution? What exactly we can add to avoid fraud and risk? So, the opportunities will be beyond 3x. So, 3x is a transaction growth led benchmark our company with that and at the same time what more company can think from the innovation front is where we can further add to that period.

Moderator: Thank you. We have our next question from the line of Yaswanti Khedkar, an individual investor. Please go ahead.

Yaswanti Khedkar: Basically if I wanted to project the revenue for 24/25/26, what should be the base to project the revenue coming from NPST over the next 2 to 3 years?

Deepak Thakur: I would say that you take multiple factors, one is obviously keep tracking the organization in terms of, so let my annual report come out, it will give you a very good picture of my product stack. The horizontal and vertical growth is already mentioned there. I would love everyone to read it. So, what we have tried to do with our annual report is we have not just given numbers,

but we have tried to educate our audience what exactly the organization works on, the product, the strategy, the future roadmap, everything. So, it will start giving you good understanding about how you can benchmark it. Quick factors so link it to the digital payment landscape in the country, which I have just answered in the earlier calls, the growth which exists in the industry. Second, the shape of the product. So, today we are serving domestic. Tomorrow is the first mode of transition comes in. In fact maybe after one year, may not be in FY24, maybe FY25 or 26. So, that is the time when that shape of the product will start giving you understanding. Third, the wins. So, if you look at the win that we have right now Bank of Maharashtra, transparently the data is available online. So, if you track the wins in coming future 4-5 accounts down the line, you will come to know how exactly we are selling it and what the strategy under which we are gaining the market traction. So, we win the market landscape around UPI. And the new product coming in the UPI from the regulatory push, so these are three factors that we should account while projecting growth. Just one point I missed out, I'm so sorry. The guy earlier the chap, he just asked me about the API. I think that is also something that we should keep looking at. You can definitely check what are the new APIs that the organization has launched. So, maybe that will also give you an idea that this is going to add to the revenue. So, if at all there is a stability on which the organization is focused on, for that stability we may be launching an API or business growth. So, that is the fourth factor that you should consider, yes.

Yaswanti Khedkar: And as being an IT company, being a Fintech company, our revenue is very much based on the number of people, the talent pool which we have. So, what is the current attrition rate of the company?

Deepak Thakur: Current attrition rate, it is between 5% to 8%, very less.

Yaswanti Khedkar: And with this kind of growth and excellent numbers, are you planning to reward shareholders?

Deepak Thakur: Why do you trick me with such questions? Anyway, so as an organization, we give lot of importance on how we can connect to our shareholders, how we can ensure that their trusts are paid well. So, allow us to work on the right strategy. Right now I have nothing to answer on this, but yes, I will definitely ensure that the message is pointed to my Board of Directors and whatever comes out from there, it will be in public.

Moderator: Thank you. We have our next question from the line of Nikhil Agarwal from Tusk Investment. Please go ahead.

Nikhil Agarwal: I just have one question on the P&L the expensive side. Can you explain what is the backup of this purchase of stock in trade change in WIP and the subcontracts that we have done? So, is it for any particular product of us or any business line or is it like a general like a lot of work out for some part of the business?

Ashish Aggarwal: I think you're talking about the change in WIP. That's what kind of work in progress in our books.

- Nikhil Agarwal:** WIP, stock in trade and the technical subcontractors cost apart from this employee expense?
- Ashish Aggarwal:** So, I'll explain one by one. This work in progress is what all developments we have done, but yet to be billed because the confirmation from client, sign off from client we have not billed. So, this is work in progress. Being a technical company which we have, we are majorly dealing in this technical goes to the client. So, product or service we have delivered, but the confirmation yet to be received from the client and we have not billed till the date of finalization of the books. This is work in progress. Purchase, we are dealing in HSM. This is hardware security module so that we have purchased and yet to be sold out. This is purchase. And cost of technical subcontract, majorly this is a transactional business and we have to pay amount to our sponsor bank. So, major amount is in this particular categories for that purpose only.
- Nikhil Agarwal:** So, essentially that number is higher than the employee expense. So, which part of the business is this used for?
- Ashish Aggarwal:** Basically Evok. We're in transaction business. That's the API business, so we have to pay each and every transaction to our sponsor bank. So, this is actually a direct cost, not exactly.
- Deepak Thakur:** So, when I was mentioning about two verticals where we have the business, one is the banking side where we work on SaaS based model or license-based model. And the second one is the transactional business where we are API based platform for Fintech and new banks. So, the second set of businesses where we have this particular impact.
- Moderator:** Thank you. We have a last question from the line of Amit Chordia from World Foods LLP. Please go ahead.
- Amit Chordia:** Could you just share the split up of revenue for product and services?
- Ashish Aggarwal:** It's somewhere about 35% versus 65%. Transaction business is somewhere about 65%, another is somewhere about 35%.
- Amit Chordia:** Alright. And apart from revenue and margin growth and all the regular metrics that we check as a shareholder, anything like a quick dashboard you can give us on how to evaluate the business. So, if you could share some light on that?
- Deepak Thakur:** I didn't get the point. What kind of dashboard?
- Amit Chordia:** Of course revenue margin growth of one metrics to evaluate the business. Any other way to look at the business for us as shareholders to see if the business is moving in the right direction?
- Deepak Thakur:** I think very subjective question. I don't know every analyst does it differently. Obviously these are the areas that you have to look at. One question which was asked to me earlier on what are the factors to look at the growth areas. I've mentioned four factors. I don't know if you have

heard that, how the UPI is growing that is a published data by NPCI every month, so you can pick up that data and at the same time you can keep looking at the new wins, which obviously I mentioned and the kind of ticket size every win has and the APIs that we are adding. These are something that you need to continuously track, I would say that. On the book, on the P&L, I think it will be too technical to quote on what are the other areas. I mean if you can ask some specific points, we can answer that.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors for closing comments. Over to you.

Gopal Chandak: Thanks everyone for joining the conference Call of Network People Services Technologies Limited. If you have any query, you can write us at research@directkirinadvisors.com. Once more thank you everyone for joining the conference call.

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