Network People Services Technologies Limited
CIN: L74110MH2013PLC248874
427/428/429, A-Wing, NSIL, Lodha Supremus II,
Near New Passport office, Road No. 22,
Wagle Industrial Estate, Thane (W), Maharashtra, India - 400604
Tel.: +91 22 61482100 I contact@npstx.com I www.npstx.com

ISIN: INE0FFK01017 **Date: 14.08.2026**

To,

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

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

Subject: **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript of the Earnings Conference Call for Analysts and Investors conducted on August 12, 2026**

Respected Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call for Analysts and Investors conducted on Wednesday, August 12, 2026, in respect of the quarter ended on June 30, 2026.

The transcript will be also available on the website of the Company at www.npstx.com

Kindly take the same on your record.

For Network People Services Technologies Limited

Chetna Avinash Chawla
Digitally signed by Chetna Avinash Chawla
Date: 2026.08.14 15:14:46 +05'30'

Chetna Chawla
Company Secretary and Compliance Officer
Membership No: A64291

Network People Services Technologies Limited
Q1 FY 2027 Earnings Conference Call
August 12, 2026

Moderator: Ladies and gentlemen, good day and welcome to Network People Services Technologies Q1 FY 2027 Earnings Conference Call hosted by Valorem 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 this 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. Purvangi Jain from Valorem Advisors. Thank you and over to you, Ms. Jain.

Purvangi Jain: Thank you. Good morning, everyone. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations for NPST Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the 1st Quarter of the Financial Year 2027.

Before we begin, let me mention a short cautionary statement.

Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the Management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's Earnings Call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the Management participating with us in today's Earnings Call and hand it over to them for their opening remarks.

We have with us Mr. Deepak Chand Thakur – Chairman and Managing Director, Mr. Ashish Aggarwal – Joint Managing Director.

Without any delay, I request Mr. Deepak Thakur to start with his opening remarks. Thank you and over to you, sir.

Deepak Chand Thakur: Thanks Purvangi. Hi everyone. A very good morning and happy to connect with all of you.

This being a 1st Quarter result, we would like to share not just the numbers but the fundamental set around it and how this will pan out this year as well as the next few years.

We believe that companies are built by creating sustainable platforms, solving meaningful customer problems and consistently executing long-term vision rather than chasing short-term goals. We did chase business transformation last year and we continue to make efforts in building stronger platform for a global company you want to see in NPST.

We have delivered strong year-on-year growth, increased our revenue sources, expanded our product portfolio. We have accelerated our international journey. In fact, we have made it a little earlier and continued investing in future-ready AI-based technologies. As a result, revenue grew significantly year-on-year while the profitability also remained strong despite our ongoing investment for future growth.

In last fall, like we committed, we have explained in our financial results that our focus has been multi-pronged to take the organization to next stage:

A) we want to derisk the organization from industry impact due to regulatory landscape changes. That brings more stability. Pivot into multiple new products and segments including RegTech and AI-based risk intelligence. Create global footprint and acquire accounts from newer territories. And build SaaS-based profile to add recurring revenue.

We worked our way on all the above directions and now we are seeing funnel as well as results moving in this direction. Although we have brought down the contribution from payment platform like in my last presentation, but any positive move on MDR on UPI will revive this segment. We are closely monitoring the progress for now. We may not see immediate impact, but it will have a visible difference. This is how early the industry absorbs.

In RegTech, we have picked up deals in cooperative segment and now we have an order from large PSU as well. So, we intend to launch SaaS-based subscription for mid to small-size banks. That will again give us a larger universe to address. We have informed in our vision for global foray, and here we have been able to capture global account in Quarter 1 itself. Our team is now increasing new account quite frequently due to presence of SaaS-based bank-in-a-box model that we invested last year.

While historically we have been associated with payments, but the efforts invested last year to diversify has evolved NPST into a broader FinTech company, a platform which has capability not just across payments but also RegTech, banking technology, AI-led compliance solution and international digital financial infrastructure offering.

Another significant milestone during the quarter has been the continued progress on our international business where we are not just aspiring to get the business, but we now have a revenue contribution coming in. This validates our relevance of the technology which we have built. It is not just in India, but it can go beyond that and demonstrate the scalability of our product across different geographies. International market we not just look at it as an additional revenue stream, but we believe it is going to be a strategic pillar for the company going forward.

We are consciously investing in product, global business development, artificial intelligence, SaaS infrastructure and skill set revival. These investments although cost today, but they are growth enablers intended to strengthen our competitive position in coming years.

We see continued momentum across banking clients, growing demand for regulatory technology, increase in adoption for digital payment, emerging international opportunities and stronger technology ecosystem. Our pipeline remains healthy. Our customer engagement continues to deepen and the strategy direction, whatever we have given in the beginning of the year, that remains unchanged.

Coming to numbers:

I think if you have gone through it, the year-on-year uptake has been about 75% in revenue. We closed at about INR 61.42 crore. Our EBITDA has grown by 66% and our net profit has gone up by INR 53 crore, which is about INR 11.4 crore.

I think that should be good enough for now. I will take questions later on. Yes, Purvangi, over to you.

Moderator: Thank you very much. We now begin the question-and-answer session. First question is from the land of Akshay from AK Investments please go ahead.

Akshay: Sir, my first question is about the revenue guidance. So, we had earlier guided that we should be able to grow by around 15% to 20% quarter-on-quarter throughout the year, but in the 1st Quarter itself we have degrown quarter-on-quarter. So, what should be the fair assumption on the revenue front?

And also we had guided that we should be somewhere around highest revenue per quarter of around INR 67 crore in the next quarter, but we are still INR 10 crore behind this target. So, please put some more color on the growth trajectory going forward.

Deepak Chand Thakur: Thanks, Akshay. Well, we gave a guidance of about 60% to 70% growth and that remains unchanged. There is no challenge at all.

In fact, I addressed this question in detail in the last quarter itself, and I gave the nature of the business. I clarified that. So, I would like to reiterate the fact that we brought down our projection in the PPaaS segment to just about 5% to reduce the risk associated with that segment. And now we are more of a technology-led subscription and the overall solution that we are selling in the ecosystem which may not have exactly the same nature of revenue every quarter. And that is the reason why I even gave a clarity that you should definitely be looking at yearly numbers that is coming out.

So, whatever funnels we had, we had that clarity. We knew how this is going to work out. And that is why comparing Q4 of last year with Q1 may not be the right approach. You should be looking at how the company is growing year-on-year. And you should be looking at what numbers we are sharing. Is it meeting the guidelines? And the answer is yes. We are actually following the same trend. There is no change in guidelines.

When it comes to the overall numbers, I think last quarter we have been able to do about INR 68 crores, which we already did when it comes to the highest performing quarter. And it will be due in this year as well. So, the triggers coming in, the numbers coming in, the execution and implementation as and when it goes ahead, in some quarters we will definitely shoot up much higher than that.

Akshay: And we are also sticking to the full year FY '27 EBITDA margins' guidance of around 30%, right?

Deepak Chand Thakur: That remains unchanged.

Akshay: And my second question is about the MDR. So, recently, there was a bill in Parliament that approved the MDR on UPI. So, do we get any benefit out of it? And what is the economics of the bank's revenue and our sharing on that front?

Deepak Chand Thakur: So, it is an advantage to the company. But we are actually waiting for the guidance to come from the regulator, banks and from NPCI, which is, I mean, we are extremely positive about how this should shape up.

Just to give you an idea, we build the acquiring infrastructure for banks on which the entire UPI payment ecosystem would work. And basis that platform, there are certain contracts which we usually do on SaaS-based model.

Now, the entire industry had a limited fund in absence of MDR. The moment MDR starts flowing in, when UPI is doing about 23 billion transactions, even 5%-10% of such transactions brings in huge amount of revenue to the entire industry. And that goes across the payment aggregators, banks and TSPs like us. We start generating that revenue.

So, the PPaaS segment, which was just about 5%, that will start flourishing where we brought down the risk associated with the platform revenue. Now the MDR revenue will start kicking in. And that will add a good amount of revenue to the organization.

Akshay: And sir, lastly, on the international market presence. So, we are continuously developing our international presence. So, what type of products and solutions do we provide in the international market and also in the presentation you have mentioned that we have got the license, we have got the order for one of the biggest telecom companies in India for the super app. So, can you put some light on these two developments?

Deepak Chand Thakur: Unfortunately, I will not be able to zero down exactly on what we have, what product is the hero product because of the competition. What I can definitely tell you is that when it comes to digital transformation around payments, digital banking, we have multiple products with us, right? We have interoperable payment platform. We have merchant acquiring platform. We have banking super app. So, all of these we take as a bouquet and go to international market.

So, what we have got now as an order, we are actually transforming the entire digital landscape and payment for the telecom provider. So, just like you have, you know, exactly if I replicate it, like you have Airtel as a telecom provider, but Airtel also has Airtel Money, Airtel Payment Bank. So, that is where it opens up opportunity for us when the telecom provider has a FinTech options.

Moderator: Next question is from the line of Nishant Joshi from Equisense Advisors. Please go ahead.

Nishant Joshi: In last con call, you have mentioned that if we do business with Indian companies, we get a margin in range of around 15% to 20%. Whereas for global clients, it could be in range of 30% to 35%, which can reach up to 40% also.

And you also have mentioned that the international business would be on a faster growth trajectory. So, do you still stick with it? And can you give a number that how much of our deals are coming from international markets? And how do you see growing it in the next 12 to 15 months?

Deepak Chand Thakur: So, the order that we pick up will go through an implementation cycle. And the implementation cycle can range from four months to about nine months. That is the journey.

There are milestones that come with it. So, there will be early revenue realization in certain cases, and there will be cases where post implementation, it immediately hits the quarter. And that is the reason why I was saying.

So, we got one and we are, I mean, to be honest, there are two more deals in pipeline. So, we will be sitting at a good bucket by the end of this quarter.

And when it comes to the margin, yes, that margin is what we are looking at. And yes, that is the margin which we will be working on. For now, if you see the consolidated numbers, we have about 10% to 12% coming in from international.

And as and when the project goes, so the project can range from four years, five years, or even longer than that. So, those stages, we start generating more and more margin as and when the implementation gets completed and the revenue starts kicking in.

Nishant Joshi: So, my second query was, again, related to the same UPI payment system industry. Can you give an outlook to the industry overall? If MDR is introduced, do you see value of transaction and volume of transaction that MDR will be implemented, giving a lower growth trajectory?

Deepak Chand Thakur: I think, see, what I am going to tell you right now is strictly my personal experience. Why? Because we are yet to receive guidance from our customers, like from banks and NPCI and the regulator. That is yet not released.

So, it is way too early. And that is the reason why we not giving a very aggressive numbers around it. Because we are yet to see how this is going to pan out. But once it goes, because it has already gone in a very positive direction. So, once it goes, it straightaway brings an upgrade to the projection which we have made around payment platform as a service, which we have completely tapered down for now, until we see that impact coming in. So, that segment will get a boost.

Second, we must also understand that the conversation which is happening right now is around the higher ticket size transition. And honestly, it is not going to be customers. Merchants are going to get charged. So, high ticket is definitely around those merchants who can afford to sell those kind of products. So, if you are going to a small grocery store, your ticket size is much lesser compared to when you do a bigger shopping.

So, there, if the ticket size is larger, then the kind of MDRs they are talking about is not even equal to what we have in cards. Much, much lower than that. So, I don't think that the revenue bucket around those particular transactions, sorry, the transactions around those revenue buckets will get impacted because that particular business is already making good value transactions. And MDR at much lesser rate on UPI is better than paying for the higher cost card-based transactions. So, rather than card, they will still prefer UPI because the MDR is much, much lower on UPI compared to card. So, small businesses should not get affected. And large businesses will definitely have an option to use UPI at a lower cost.

Nishant Joshi: Thank you for your view.

Moderator: Next question is from the line of Ankit Kanodia from Zen Nivesh. Please go ahead.

Ankit Kanodia: Thank you for taking my question. My first question is related to the last point which you just mentioned regarding large transactions. So, I think 4% to 6% of the total UPI transaction falls under that bucket where there could be an MDR available.

So, looking at our current scheme of things in terms of how we are present, do we see a sufficient enough pool for us given that it is only restricted to 6%?

Deepak Chand Thakur: See, that businesses, those 6%-7% are those large merchants, right? Those are not small merchants. So, if you see the ratio among the large merchants, I think if we categorize those merchants where the balance sheet is much bigger, then we are probably talking about almost 80%-90% of those merchants, top merchants, who will come under MDR bucket. And where do we have these merchants? These merchants are basically across all acquiring platforms.

So, there are not more than 80-90 banks who have the acquiring ability, of which about top 15-20 banks are the ones who are actually catering to such kind of merchants. In our bucket, we have PSU bank, we have private bank and we have cooperative bank. All of them on our acquiring platform. So, we definitely see some catering.

Ankit Kanodia: Sir, one thing I was not very clear, and I am sure as in you alluded to your previous remarks also that still everything is not clear. You are waiting for the point which I want to understand is, will we directly get a benefit of MDR as in a share in that or we will just get the benefit of this market getting expanded? This 4% to 6% market may be doing really well and that will increase business for us in the long run. Or we will get a direct share in the MDR also when it comes in.

Deepak Chand Thakur: Sir, I will split it into three. When I say that we have not got communication, that means we work for regulated entities where UPI will have an impact. These regulated entities are banks and payment aggregators where we have deployed our payment platform as well as our infrastructure.

Now, unless and until we do not receive communication from those directions, that is where we are saying that the communication is yet not there. However, the industry is already moving in that direction. Once that entire journey is completed, then it will reach our customers and then from there it will come to us. That is what I meant.

I am not denying that it is in a positive direction, but I don't want to make any number projections unless we receive the paper from them. These are the changes you do and now MDR can be charged. That is what I am referring to.

Ankit Kanodia: That was very helpful. So, my next question is related…

Deepak Chand Thakur: I will answer the second one. So, how we are getting benefit? One is there will be good revenue available. So, the total transacted value on UPI today is INR 2.7 trillion approximately every month. Now, if you take this number and whatever number you are calculating right now, 4%-5% and then you take MDR, imagine the money flowing in the ecosystem. And when that happens, there is more money available to pay to technology service providers to start upgrading platform or to faster the roadmap to generate more revenue.

So, there will definitely be competition amongst banks to generate more revenue because of this MDR. And there will be more investments coming in. So, TSP gets an added advantage. So, this is an indirect benefit we get.

Second, on a payment platform, we have orders where we have implemented acquiring platform. And we get paid for transaction. So, that is a direct benefit we get.

Ankit Kanodia: Thank you so much for that detailed answer. In the same MDR issue, when the Honorable Finance Minister was talking in the parliament, she also highlighted about the need for cyber security and fraud detection software. So, how do we see that opportunity for us? Maybe I am not asking for any finance guidance. But maybe from a qualitative view, do you see that, how are we placed and how do we see that business moving forward for us?

Deepak Chand Thakur: So, we anticipated this problem being in this segment for over a decade now. And we are the only company who not only has infrastructure around banks, payment platform, but we also have a RegTech. So, we invested into AI-based risk intelligence about 2.5 years, 3 years back. And last con call, we clearly said that it was just a product. Now, we have created as a separate vertical to focus on to it.

What we see is an opportunity or much bigger opportunity for NPST, wherein RegTech will start, it is unsaid regulation now to have such kind of software to control the cyber frauds. And for that, what we built was completely AI intelligence around the merchant acquiring platform, how the transaction loopholes can be identified and how merchant risk can be underwritten.

For that is what I was referring to when I said we got an order from large PSU. The product is proven. And now we are going to create a subscription-based model for the small to mid-sized industry. So, that is definitely on cards. And with the growth, if at all there is any further positive change in regulation that demands this kind of software to be mandated, it is straightaway going to help us in our RegTech growth.

Ankit Kanodia: One last question, if I may. How do you see this MDR thing impacting the micro-ATM and the smart phone POS deployment in the rural areas, far off areas where there is still no scope of ATM and micro-ATMs are the only way? At one point of time, we had RBI having a PIDF, which is Payment Infrastructure Development Fund, which later got stopped. Do you see with MDR, this also getting revived in certain ways and we get benefit from that?

Deepak Chand Thakur: To be honest, that is more related to AePS, wherein the withdrawal happens through biometric. And there is also a product called UPI Cash Point, where the MDR always existed. It never changed. So, it has a very different segment altogether. We cannot directly compare it with this impact because MDR on UPI Cash, if you want to withdraw cash through a QR code, there was an MDR cost to it. And there is no change in that.

Second, when it comes to the competition between micro-ATM, ATM, AePS, that is a completely different product. So, I wouldn't like to call out anything in that direction.

Ankit Kanodia: So, let's keep the MDR aside. How do you see the micro-ATM market going forward?

Deepak Chand Thakur: Unfortunately, I am not exactly in that segment. So, it will be difficult for me. However, what I see is that in 2 to 3 years, UPI Cash will definitely make inroads as against the larger cost involved in micro-ATMs. So, if at all there is more confidence, the cyber risk is less, and it is a good compliant system, then we see that UPI Cash point will grow. And that is where the infra cost goes down and the revenue is available for everyone.

Ankit Kanodia: That was very helpful, and all the best for the future. That’s it.

Moderator: Next question is from the line of Hardik Gandhi from HPMG. Please go ahead.

Hardik Gandhi: So, I have two questions. First, I think we put out a very aggressive guidance on the margins. And after such, in the last quarter, right? And this quarter, when I am looking at the margins, on the EBITDA level, we have dropped. So, what is the reason for that? And do we have to look at it on a year-on-year basis? How do we go about that? That is my first question.

Deepak Chand Thakur: So, like I said that the margin, what we have referred to is a combination of, so, if you see the table which we gave last year, sorry, last call, it is a combination of domestic, global and RegTech all taken together. And that is why we gave the cautious understanding also that the nature of business has also changed. It was 90% on PPaaS, which has gone down to 5% as projection now.

So, you should be looking at a technology-led growth. So, the order that we have picked up in Q1, the order which we have picked up in Q2, these margins will start adding up. And then the averaging out will definitely be much higher than what we currently have right now.

And that is the reason why we are confident that by the end of the year, we are definitely meeting our guidance. So, global play will add margin as well as

RegTech, which is AI-based product. So, that also has a higher margin. So, that is where it will impact.

Hardik Gandhi: A follow-up on the global business. Just wanted to know that if we are able to expand our offerings to new banks or are we just trying to cross-sell to our existing clients?

Deepak Chand Thakur: Our first target is always banks, central banks, and BFSI segment because that is where it evolves. But when we are going to global market, the interesting case that we are coming across is the other segment are also struggling with the same problem.

So, the nature of payment ecosystem in a geography differs from the other geography. However, the product that we have developed has a universal acceptance. It may be banking, it may be telecom or any other segment. So, we are still evolving.

So, to be very clear, the other two orders are going to be, of the three first orders that we are going to pick up, there is going to be just one order from the payment service provider. Rest are going to be from the other segment.

Hardik Gandhi: So, I just wanted to know on the traction. Because we earlier mentioned that we are far ahead compared to the global peers. Our technology is far advanced given that our quick adoption of UPI and other technology in India. And we mentioned that this will be the low-hanging fruit for us to capture the global banks in different countries. And I think that we have not been able to tap as successfully. Or is it just taking time? I am not sure.

Deepak Chand Thakur: I think we are connecting in less than three months. And I have already shared the order book. So, I mean, what we already have and what is the new that is coming in. That talks about the traction which is available.

Yes, there may be possibility that certain orders we are anticipating in three months, it may come in five months. That may happen. But the overall business, whatever we saw with last year's efforts, it is still intact. Our funnel is growing. And at the same time, our traction has only improved. So, I don't see there is any change at all.

Hardik Gandhi: Correct. And just last question. For the IPO funds, I think we received it in December. I think it's been eight months. We have used only 10%, roughly 10%-15% of it. So, what is the deployment schedule or plan?

Deepak Chand Thakur: So, we currently have zeroed down on three odd opportunities where we intend to invest. Our conditions are very, very strict and that is the reason why it has taken time.

In fact, I mentioned this last year also. We don't want to completely invest into only one segment. So, we wanted to diversify that. RegTech was one area where we had to zero down on few companies. Then there was solutions around AI. And then there was solutions around payment infrastructure. So, all of these we have identified. So, we will definitely see some traction soon.

Hardik Gandhi: No, no. Just the meaning for that was that what will be the time of deployment that within next year we will be able to deploy the funds? Or will it be like a very gradual process where it will take us two to three years?

Deepak Chand Thakur: No, no. We can't wait till next year. Not the entire fund, but we will start seeing deployment in next two quarters. And those will be on product development. So, we are looking at market expansion. Do we get an access to the international market, ready customers with new product altogether? So, all those parameters exist.

Moderator: Next question is from the line of Preet Shah from Blue Star Capital. Please go ahead.

Preet Shah: Sir, I just want to understand. So, from last two quarters, we have been saying that next quarter will be fine, next quarter will be fine. I understand the business is changing. But again, you can help me to understand when we will see a good growth Y-on-Y and Q-on-Q. From which quarter we can see and how confident you are to achieve this year's guidance?

Deepak Chand Thakur: I believe you should start looking from the quarter which we have already declared. So, 68 was in Q4 last year. So, we already reached that maximum number after. Even between the transformation period and the change in the business model, we try to maintain that.

Secondly, what we have done is we have grown about 75% year-on-year this time. And the execution cycle and implementation milestones, those are the ones which start giving the revenue. So, this year, again, no change in guidance that remains intact. We continue to scale the number. And all the other parameters, if you evaluate, did we get international revenue? The answer is yes. Have we been able to grow the numbers? Have we been able to maintain EBITDA? Have we been able to grow those self-subscription-based business? Are we getting revenue from the other verticals like RegTech? So, all those are green flags. So, if you see that, it straightaway takes us to a direction where whatever we have committed is getting achieved.

Preet Shah: So, sir, as you are guiding for 60% to 70% growth on revenue, so is my understanding correct? You are saying roughly 320 CR to 340 CR revenue for this year? And we have done 56 for Q1.

Deepak Chand Thakur: The range is around that. Yes.

Preet Shah: And we are taking 30% EBITDA margins, right, for this year?

Deepak Chand Thakur: Yes. That is the guidance.

Moderator: Next question is from the line of Sampath Nayak from ZTO Capital Advisors. Please go ahead.

Sampath Nayak: So, this is again a question regarding MDR. Just wanted to understand if we are the direct beneficiary of this MDR implementation or the indirect? So, when I say direct, let's say a large merchant collects the MDR fees. So, will we be getting that or will we be part of indirect spending by these banks or payment gate?

Deepak Chand Thakur: So, the revenue, the interchange revenue generated by the acquiring bank where we have our infrastructure, that is where we will get paid. So, we will get paid from banks for the acquiring stock. We will not be charging merchants. It is the bank which will charge the merchants and they will do a share with us.

Sampath Nayak: No, no. I mean, let's say there is a transaction. For every transaction, will we get paid or will we get paid for the…

Deepak Chand Thakur: Yes. So, there are two businesses. One is TSP and another one is payment platform. Whenever we have TSP, there any incremental development on software to generate more revenue, whatever investments they are doing, that is where there will be an incremental business coming in, in our TSP model.

The other model is payment platform where whatever acquiring platform we have deployed, on that, whatever per transaction revenue is generated by bank due to MDR which is not present right now, there the bank will share the revenue with us. So, that becomes a direct revenue over the revenue generated from the merchant.

Sampath Nayak: So, I mean, there are both direct and indirect revenue opportunities are open now, correct?

Deepak Chand Thakur: Absolutely.

Moderator: Next question is from the Suman, individual investor. Please go ahead.

Suman: I think there are enough questions on MDR. I will request when the things are clarified, please have a special session on that.

Now, coming to other questions question, how is your competition in RegTech? That is number one. Secondly, how is your TimePay moving on?

Deepak Chand Thakur: So, first one on the competition, I think RegTech is a very broader subject. To be precise, when we talk about the established products like EFRM or EWS, all those products, there the competition exists. It is there for decade on.

What we have built is the AI-based risk intelligence, which is completely new. And that can be only evolved if at all you are able to deploy that solution in the banking environment, which we did and we processed almost about 650 million transactions on it. So, we not only have product, we also have machine learning and we also have the data intelligence, which is at 98% accuracy.

So, if I take that particular point, we don't have any competition at all right now. That was the first mover we did in the market. We invested as a company, good amount of investment that went into this particular product with the belief that we will be able to take it to market.

And then, now when we go ahead and we talk about this product, we don't have to compete. We have to actually give them an idea how this is going to solve the problem. So, that is the status right now.

Suman: So, this prima facie looks very encouraging, you know. I think number of banks…

Deepak Chand Thakur: In fact, we have got a good attraction even from the global market, wherever we are talking.

Suman: So, that should translate into a good top line, I believe, in the next couple of quarters. Anyway, all the best. How about TimePay?

Deepak Chand Thakur: Yes, TimePay, again, since this is B2C, we are still looking for the overall decision on MDR. If at all MDR has a direct impact on the payer revenue, which is the payer PSP also gets a share of that revenue, then for sure it will create an influx of opportunity on TimePay. And then we can probably revive that product to a different, with a very, very focused thought process on what would be the investment. And if this stream of revenue adds in, then you know how this product will shape up. So, that is something we are looking forward to.

Suman: That is again encouraging. So, we can safely assume that you will cross all-time high top line sooner than later in the next few quarters, right?

Deepak Chand Thakur: Absolutely. Absolutely.

Moderator: Next question is from the line of Deepak Poddar from Sapphire Capital Partners. Please go ahead.

Deepak Poddar: So, just wanted to understand from the international business perspective. Now, what is our current mix right now in international revenue and in the next 2-3 years, how do you see the revenue from international mix going towards, yes?

Deepak Chand Thakur: Right now, it is about 11%-12%. I don't have an exact, but yes, that's the range between 10% to 12% coming from international and that majorly from TSP. This, now I don't have the exact scope for 2029.

Deepak Poddar: Some range would do, I mean, overall at a company level.

Ashish Aggarwal: Because it should be between 30, around 30% in the next 2 years that we are assuming.

Deepak Poddar: 30% in the next 2 years, you are saying by FY '28?

Ashish Aggarwal: 28-29, you can say. We are sitting in 26-27 now.

Deepak Chand Thakur: So, around 2 years from here, we are targeting around 50% from the international business, or maybe more.

Deepak Poddar: So, by FY '28-FY '29, something like that?

Ashish Aggarwal: Yes. You can say.

Deepak Poddar: And what is the margin differential between domestic versus international? I mean, how much better margins do you see in international?

Deepak Chand Thakur: Almost about, I mean, if it is about 15%-20% in India, international will be anywhere above 35%. 30-35-40, depends on…

Deepak Poddar: 30-35% right?

Deepak Chand Thakur: Yes.

Deepak Poddar: So, this year we are looking at what, 30% EBITDA margin, right?

Ashish Aggarwal: Yes. It should be around that. In fact, it should be around that.

Deepak Poddar: And when we say next 2-3 years, this international business will go towards 30% and that differential is also bigger. So, where do you see the aspiration in terms of margins for you in next 2-3 years?

Ashish Aggarwal: Maybe you can say, currently we are between 25% to 30%. In next 2 years, we should target at least 35% EBITDA margin, or maybe more than that.

Deepak Poddar: And in terms of growth, we said 60%-70% this year. I mean, that is the CAGR for next 2-3 years we are looking at?

Ashish Aggarwal: Yes, year-on-year, you can say CAGR, 60%-70% we are targeting for next 2-3 years.

Deepak Poddar: So, that effectively means what, INR 850-900 crores top line by FY '29?

Deepak Chand Thakur: Maybe. I have not done the calculation, but yes, tentatively yes, you are right. Next year it should be around INR 850-900 crores around there.

Deepak Poddar: And this, specifically on TSP domestic business, the share will reduce, but this business itself will also see a growth?

Ashish Aggarwal: Absolutely, absolutely.

Deepak Poddar: But other business should see higher growth, so accordingly the TSP domestic share you expect to decline?

Deepak Chand Thakur: Yes.

Deepak Poddar: That would be it from my side.

Moderator: Next question is from the line of Abhishek Kajal, individual investor. Please go ahead.

Abhishek Kajal: My question is on the P&L statement. In the consolidated statement, under the header, changes in inventories of finished goods, work in progress and stock in trade, there is a significant hike to INR 17 odd crores from INR 2 crores in the last quarter. If you could shed some color on that, that would be really helpful.

Deepak Chand Thakur: Ashish, do you want to take that up?

Ashish Aggarwal: Yes. Abhishek, actually we are doing a multiple kind of project, which includes turnkey project also. So, there can be hardware kind of material, which is a part of our delivery. So, that covers under this part.

So, it is basically the nature of business, where we can put some hardware, then it will cover under this side. That is the thing.

Ashish Aggarwal: So, that is basically the hardware that we are supplying to the bank for the offline payment.

Ashish Aggarwal: Yes. As a part of the project where…

Deepak Chand Thakur: Let's say, if you pick up a project worth about INR 5 crore odd, it will require a complete end-to-end hardware and software and services. So, basis milestone, it changes. So, in a certain milestone, there will be early realization of those pieces. And when it comes to the software and service milestones, it gets spread out. That is how it goes.

Abhishek Kajal: That was all.

Moderator: Next follow-up question is from Nishant Joshi from Equisense Advisors. Please go ahead.

Nishant Joshi: So, you have already partially answered my question. It was regarding the inorganic growth, which company is foreseeing. I just want to understand, it is just due to the market expansion, which we are seeing, that is why we will be acquiring any company? Or do you also see certain segments of product where we want to build those products into our segments?

Deepak Chand Thakur: There are too many interlinked decisions here. I mean, when the company was going through transformation, and about almost two years back, when there was a dip in revenue, we did a lot of corrective actions. And then we realized that the best way to do it is de-risk and diversify. So, there was a particular quarter where I took the investors exactly through these two points.

So, it is critical for the company to do a forward-backward integration when the time is right and then also see the complementary products, which is exactly close to the domain, where the customers are same, your accounts are same, but the demand for products have increased. So, that has been our experience all these long. So, that is the reason why we are trying to invest into these areas.

Like for example, when it comes to payments, payments will always have some risk associated with it. So, we are selling payment platform, but we are not selling RegTech, we are not selling anything that is needed to secure the payment. So, that gives us a complementary product access to the same customer that we are selling.

So, that is how we have made a decision around diversification, de-risking. And then of course, when you get into it, it has its own channel and it has its own growth segment and the projections. So, obviously, projections also multiplies.

Moderator: Next follow-up question is from the line of Sampath Nayak from ZTO Capital Advisors. Please go ahead.

Sampath Nayak: So, I just did some number crunching on the MDR. So, like if the 5% customers have to pay MDR, so that comes roughly around to INR 17,92,800 crores. And if we charge 0.25 MDR fee on that transaction value, so roughly the amount comes around INR 89,640-90,000 crores. So, since you told me we could be the direct beneficiary of this, so what kind of quantum we can consider to be added to it?

Deepak Chand Thakur: First of all, I clearly said that unless we don't have a mandate coming in, I can only give my personal experience. I don't want to quote which is not there on paper yet, right?

Secondly, that is not how the MDR adds numbers. So, whatever is the MDR, it has acquiring component, it has interchange component, it has switching fees, it further gets split. Then the beneficiaries here can be the one who has acquired a user, which is like PSP applications, those who have acquired merchants and that is where our bank plays a critical role.

So, if at all I have given acquiring platform and the QR code generated over the POS on a POS is where the bank has given POS directly to the merchant. It is a direct interchange income coming to bank. But if they have given it via payment aggregator, then the payment aggregator also shares certain revenue. So, there are a lot of stack in between where it has to be calculated. So, I don't think that is instantly available right now to anyone.

So, let me not quote anything right now, any number. But what I can definitely tell you is that we being a part to this ecosystem will definitely get certain direct revenue out of it.

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

Ashish Soni: Sir, in your results, there are other expenses to the tune of almost INR 19 point some crores compared to almost INR 2 crores last year, same quarter. So, what is the additional expense of almost INR 17 crores this quarter?

Ashish Aggarwal: Ashish, I think this is a grouping issue. The team has merged the purchase cost in these expenses. That is the INR 17 crore amount. So, other expense is INR 2 crore only.

Ashish Soni: And your growth in this quarter was almost 70-odd percent. But your employee expenses have not increased. So, is it because of your software-as-a-service platform or the fee which was more? Because proportionality, it didn't increase at all. It is hardly 10%-20% is what I understand. So, what caused that?

Ashish Aggarwal: So, there are multiple reasons. First is that we are in a business where the employee cost is maybe not directly proportionate with the revenue. Second, the adoption of AI is very important where we are doing multiple things. Multiple developments we are taking with the help of AI. I think Deepak has already covered this part that as an organization we have adopted AI. So, that is the reason I think employee cost will not increase at proportion to the revenue.

Deepak Chand Thakur: We are trying our best to create an AI-driven organization. There are policies being written. Now when the policies get written, they impact over the AI security, they impact over the tools that is being used. So, we just don't want to make it a random decision. We have made a decision that the organization will shift towards AI-based policies and processes. That is already going on. So, whatever benefit we got, I think it is visible now.

And in fact on our investor presentation, we have clearly given that we want to improve our efficiency. The target of about 30% is still there. So, that is the target. So, yes, those kinds of reflections you will start seeing.

Ashish Soni: And regarding your guidance of 60%-70% CAGR for the next 2-3 years, does that include your inorganic growth or it will be additional on top of it?

Deepak Chand Thakur: It is not inorganic.

Ashish Soni: And one last question on, with advent of Mythos coming in, there was RBI guidelines for banks to assess security threat against it. So, first question is, what is our stance on securing our platform against such attacks? And are we getting additional opportunities because of this RBI stance which came, I think, in June, if I recollect?

Deepak Chand Thakur: We have not launched an AI product to an extent wherein there will be an impact. For now, whatever RBI guidelines has come around the AI attack, that will pave the way for larger, not larger, but I don't know, I can't value it, but yes, investment towards AI-based security. So, as and when the technology upgrades, the security layer also changes.

So, those are areas which even we are looking forward to. So, there will be certain policy guidelines that will be released from banks, that how they intend to look into it, and how the software changes are expected, what expectation they have from the vendors. So, those implementations will happen over a period of time.

Ashish Soni: And inorganic acquisitions, so which acquisitions can come faster? Because I think you are pursuing 2-3 based on whatever you have been telling. And will any acquisition you do, will EBITDA margin be the same as our business or it will be lower? I am just trying to understand because typically you are targeting overseas acquisitions. Because typically overseas acquisitions generally comes with a lower margin, until unless it is a well-established product.

Deepak Chand Thakur: I don't think that is a focused criteria right now. Because when it comes to priority, what we are looking at is the geographical access, instant access that we can get, new product that we can get, which is missing from our stack, which we wanted to build, and the growth trajectory that particular organization is giving right now. So, it will be way too early right now to share that particular information. But yes, that is the direction which we are going right now.

Ashish Soni: Can we expect something in Q2 or Q3? Can we expect any acquisitions?

Deepak Chand Thakur: I think Q2 is early, I don't think. But we will come back on this one.

Moderator: Next question is from the line of Ketan Pathak, Individual Investor. Please go ahead.

Ketan Pathak: The guidance that you gave last quarter was about 70% year-on-year growth in top line. Whereas on a quarter-on-quarter basis, this quarter we are down 10% in top line.

So, my question was, do you still stick to that guidance? Because that means we have to do about INR 270-280 crores in next three quarters, which is like INR 90 crore run rate. So, do we have visibility and are we on track to do that?

Deepak Chand Thakur: Yes. I think I have addressed this in the very first question, that yearly guidance does not change. That still remains the same. It is just that by nature, when are we executing the project, when the implementation is due and the milestone is triggered.

So, those are the reasons why, in fact, we knew this kind of, you know, when there is a change in the nature of business, then in last quarter call itself, we gave the clarity that do not expect the sequential triggers. This particular growth will definitely come and you should be looking at the yearly numbers.

Ketan Pathak: Last question, follow-up to that is, for this quarter, I think at the PAT level, we were at a 17% or 18% margin. Would that improve to about 20% by the end of this year?

Deepak Chand Thakur: Yes, there will be improvement because the milestone-based revenue, when they come in, the margins improve. And obviously, when it comes to global revenue share, that is what we are adding. That is the reason why we are pretty confident about those numbers.

Moderator: Thank you. As there are no further questions, I will now hand the conference over to the management for closing comments.

Deepak Chand Thakur: I think, nothing much. I think you guys should definitely start evaluating the company the way I have addressed in today's call. A lot of traction, a lot of growth opportunities, a lot of triggers available.

We are also very closely monitoring how it is going to evolve the payment industry, basically. And I believe there is a lot that we have to work on, including the AI-based strategy. We are very, very aggressive on that part.

Purvangi, you can take it up forward from here.

Moderator: Thank you very much. On behalf of Valorem Advisors and Network People Services Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.