

**SYMBOL: NPST**  
**ISIN: INE0FFK01017**

**Dated: 30<sup>th</sup> October, 2023**

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

**Subject: Transcript of the Earnings Conference Call of Analyst/Investor for half year ended 30<sup>th</sup> September, 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 half year ended 30<sup>th</sup> September, 2023 scheduled on 25<sup>th</sup> October, 2023.

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

Kindly take the same on your record.

Thanking You,

Yours Faithfully,

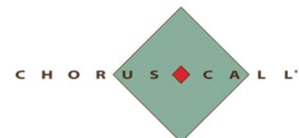
**For Network People Services Technologies Limited**

**Ashish Aggarwal**  
**(Joint Managing Director)**  
**DIN: 06986812**



“Network People Services Technologies Limited  
Q2 FY '24 Earnings Conference Call”

October 25, 2023



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

**MODERATOR: MR. GOPAL CHANDAK – KIRIN ADVISORS PRIVATE  
LIMITED**

**Moderator:**

Ladies and gentlemen, good day and welcome to Q2 FY24 results conference call of Network People Services Technologies Limited, hosted by Kirin Advisors. As a reminder, all participant line will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone.

Please note that the conference is being recorded. I now hand the conference over to Mr. Gopal Chandak sir. Over to you, sir.

**Gopal Chandak:**

Thank you. On behalf of Kirin Advisors, I welcome you all to Network People Services Technologies Limited H1 FY24 con-call. From the management side, we have Mr. Deepak Thakur, Chairman and Managing Director, Mr. Ashish Aggarwal, Joint Managing Director. Now I hand over the call to Mr. Deepak Thakur sir. Over to you, sir.

**Deepak Thakur:**

Thanks, Gopal and thanks everyone for joining. Like I always say that this is an opportunity where NPST gets to connect with their shareholders and get the first-hand feel of how our performance or how our behavior is taken up in market. So your contribution really helps us take it forward from here on every time we connect.

I think this is fourth quarterly call right now, back to back and happy to connect with you guys once again. So today what I will do is, I will give my presentation in three areas. One is, let us understand the numbers, okay, numbers that we have posted yet for half-yearly as well as quarterly. Let us have a deeper understanding of that.

Second, I will give you an idea about what the business looks right now, what exactly we are doing? And then I can take you through some future plans which will help you further understand how your organization is actually going forward. So this way, you can actually assess and be more confident of the organization, of course.

So very first thing, the results are out. I think all of you have already gone through it. Quickly, I will give you a brief summary of how your half-yearly business looks like and how the quarterly results looks like?

Very proud and very happy to share that, the half-yearly number for FY24 is a massive improvement over last half-yearly FY23. Our revenue has grown by 464%, which was INR9.4 crores last year, is now INR53.32 crores. So this is really good. We are seeing good impact on topline, thanks to my team.

EBITDA, in fact, has gone up by 650%, which is again a big jump from INR2.32 crores to about 17.41 crores. But the interesting piece is that the EBITDA margin has also improved. So it's improved from 24.57% to about 32.65% this half-yearly. And furthermore, if you look at net profit before tax, it has gone up from INR1.21 crores to about INR13.60 crores. It's about 1023% increase.

So let's look at the interesting piece of that. As and when you're going closer to profit, your numbers are only growing. So revenue has grown by 464%, but EBITDA further has grown by

650%, and profit before tax has grown by 1024%. So we are just seeing that how our non-linear approach is impacting our P&L. So that's something remarkably coming out from our strategy.

And I think last year you were asked about EPS as well, when we were on the first quarterly call, Q3 last year, somewhere that time. So it has gone up from INR1.35 to about INR15.72, which is again 1065% increase on the EPS that we are giving now. At the same time, if we look at the overall Q1 to Q2 comparison, again, last Q1 we were told that we are doing and numbers have come out really well, which was about INR24.88 crores.

And the pertinent question and the consistent question that came to us was whether you will sustain this number? So we were fair and we said that our intent is not just to sustain. Our intent is also to look at the incremental impact and you know how we can take it further? So if you compare our numbers, so we have actually posted about INR28.42 crores against INR24.88 crores, which is again 14.2% jump quarterly on revenue.

But at the same time, like I said, EBITDA has only improved from INR7.9 crores to about INR9.5 crores. So the quarterly change of revenue is about 14.2, but your EBITDA is 20.2. And net profit before tax has a similar impact, which has gone from 6.21 to about 7.4, almost about 19.16% increase.

Yes, so I think this sums up on how the company has performed? Our consistent endeavour is to only improve here on. All the efforts are on. The focus is on business as always. The focus is on innovation, like, our tagline says innovation in every byte. Our focus is on further looking at what more we can do around digital payments as the business around this segment is bound to increase.

I believe that whatever efforts we have taken in last decade, so by the way, congratulations your company has completed 10 years in business, 4th October was our 10th anniversary. And here onwards, we are looking for the new decade. We have obviously new horizons to look at and relook at how our growth should be planned out.

So, Yes, so like I said that -- so every time we look at these numbers, we have to look at the new benchmark. The business around -- digital payments have only grown because we see that coming decade or even beyond that belongs to fintech. It belongs to the payment technology. It belongs to the segment that we are operating in, so good to be at this pace. Thanks to your 10 years of efforts to be here. And that has been one of the critical factors for our consistent opportunity for the company coming in from both the business segments.

Now, coming back to the business, so we are currently working, executing about four bank orders, which we got somewhere in Q4 last year and Q1, in fact, this year. So, we are in execution -- and in fact, in Q2 as well, you know that from my quarterly calls that we also have given you an idea how the sales cycle of banking business works and what is the overall time taken for it?

So, our team is currently executing orders of multiple sizes, multiple products for four banks, which we see having a good impact on the organization in maybe two quarters later. At the same time, on the API business, we are also -- so the tech piece is done. We are now working on setting up the business roadmap POC, as well as the operating journey for the new API. So, we

believe that this quarter is key for setting up the opportunities that we see coming from the new API.

At the same time, our focus will be continuous on the horizontal as well as vertical growth strategy. When I talk about new APIs, we are actually targeting certain business segments which are non-existent in our existing set of APIs. The idea is to improve the horizon and at the same time, see whether we are able to reach out to the new segment in the market where we can get better -- more opportunities.

Our vertical growth is well-planned. Funnel looks good for now. We see impact coming in maybe two quarters later, considering the sales cycle. When it comes to future business, like I said, horizontally, we have now the product team in place which we have invested in Q1 on and also last year Q4. So, the team is in place. We see good and strong product roadmap coming in from them.

We are going very aggressive on this product roadmap so that, every quarter we have something to place. At the same time, when it comes to business acquisition, we invested heavy last quarter on Global Fintech Fest, got a great, insight on the industry, also got a lot of inquiries coming in from various segments in the market for the product that we built. There was about six product launches we did in the fintech test.

Some will be going on POC stage right now with the first customers. Maybe, that's where we are working out on those inquiries. At the same time, we also see that, this inquiry further adding to our funnel. So, on the business acquisition side, like I said, we are going aggressive. We are investing on such events. We are investing on our team.

And at the same time, we are also trying to see how we can actually pull out from, from the accounts that we already have. So, that's how, we see the coming quarter being very engaging for the company. One more important point that I want to share is, I think last meeting, I don't know if it was AGM or quarterly call, we were asked about, lot split.

So, I hope everyone is aware that from 30th of October, you will be able to trade at a lot of 100 rather than 400. Our intent is to ensure that, our shareholders are able to, get that particular opportunity around affordability of the site that we have right now. So, Yes, that is one area that you should be happy about.

Furthermore, there are businesses that we have acquired for which we continuously keep posting on NSE. Our CS continuously does that job. We have already declared about, Bank of Maharashtra order. I think that was the earlier quarter. But this time, we got State Bank of Mauritius India Limited order as well. So, that's a big order which will have an impact across TSP as well as API business.

When I say big order, I'm talking about the kind of doors it opens for the organization across various segments that we are trying to look at. So, Yes, that's on the business side. I think beyond this, let us get into Q&A if, more time to our shareholders so that they can ask their questions.

If at all they have more, they need more clarity. I'll continue to, give you insight on the business. And Ashish will join me for any clarity on P&L, balance sheet or any numbers that you want to pick up from our books.

Who's going to take this up? Is it Akshay or Gopal? Akshay. Yes, Akshay. Yes, please carry on.

**Moderator:** Thank you very much. We'll now begin the question and answer session. The first question is from line of Sahil Sharma from SS Capital. Please go ahead.

**Sahil Sharma:** Yes. Hello, sir. Thank you for giving the opportunity and congratulations on a great set of numbers. If you look at our app, which is TimePay, it is a sort of a B2C app, right? I wanted to understand what is the exact use case for this, because what I also see is that the number of installs on Android are very, constant for the last couple of years. They have stayed at 10,000. I'm trying to understand why we are unable to grow it or we are not looking to grow it or what is going on there.

**Deepak Thakur:** Thanks for asking that question, Sahil. I actually missed all that. So, this GFF, we relaunched TimePay. So, just to give you an idea, the API business, what we have built is on the handle @timecosmos. Okay. So, this is actually called the payee business, where we give the APIs to our merchants or payment aggregators, where the sponsor bank is Cosmos. As part of this ecosystem, it is mandatory that we should be having a PSP application in market. So, it was a mandate piece due to which we actually brought that application in market. We never promoted. We never pushed it, because our focus was always this API business, the merchant business.

The intent of relaunching this application in GFF was to actually scratch the surface and also see what more opportunity we can get from this, if we are invested into it, if we are already... So, that's actually a cost for my API business that we cannot do away with. It's a mandate piece.

It's something that we cannot do away with. So, in that case, why not relook at this application and why not see what business opportunity this can create for the organization? Considering that TimePay mobile app was not part of the existing roadmap for the organization. So, our roadmap is very clear. Where exactly we can build the IP for the organization? That is my technology partner role in bank..

Where exactly we can move up the value chain? That is the API business. And the next is going to be the mobile application. So, right now, the app is at a CUG stage. So, you may not find much traction. Neither the organization is talking a lot about it. So, when we have a plan, when we have a concrete way ahead, that is the only time when we will push it further. And you will come to know about it.

**Sahil Sharma:** Got it, sir. Thank you so much, sir. One follow-up on this one. You mentioned the API, which is @timecosmos. So, I wanted to understand who are our clients and customers. Can you talk about some of them, like the names and the kind of business that they do? And also, do we make money there per transaction? Or what are the financials for those kind of deals?

**Deepak Thakur:** Yes, I will. So, what happens is, in API business, when we give the API, we give it to payment aggregators and payment gateway on the bank platform. So, we play a technology API role in

this particular segment. And those who are authorized to acquire merchants in market, or those who are merchants in market, those who need collection technology on UPI, or they need collection API, where they can collect funds for the services and the goods they sell in market. Or, re-sell those things, like payment aggregators and payment gateways.

So, these are the guys who take services from us. In order to do that, in order to manage the platform, right from the compliance, the reconsideration, the technology fees, the infrastructure, and the support system, the operations, there is a whole gamut of business that has to be built around it. And there is a cost around it. So, for that, we charge our payment aggregators and merchants on a SaaS model. So, it differs from account to account. So, the business is basically SaaS, not like this.

And I would say that those who are in merchant aggregation business, there are 30 odd accounts that we have in this particular segment, including something like PayG, EaseBuzz, or we are already in the final stage with Cashfree. So, these are the guys who would be using our services. AirPay.

**Sahil Sharma:**

Got it, sir. And, sir, when it comes to the UPI product and platform that we have built, we have built a UPI switch. I think that is what is powering for like five to six banks, which you have talked about in the presentation. So, in terms of wanting to understand what is the major contributor of the growth for us? So, is it wider adoptability of our APIs for payments? Is it the UPI switches we have built for the banks? Like, where is the majority of the growth coming from? And, going forward also, where can it come from?

**Deepak Thakur:**

You have to look at business from two angles. One is the technology partner role that NPST plays with banks. Second is technology partner role that NPST plays with FinTech. When it comes to the value creation, I would say that, our first business, where we work with banks, that is extremely important because that's where we are actually owners of the processing engine, okay. When you own a processing engine, you get the flexibility to push your business. When it comes to P&L, I think you should be looking at the API business because then we have a larger market to target. So Yes, that way you should be looking at the business.

**Sahil Sharma:**

But if you look at like, let's say the revenue in, yes, if you look at the revenue in H1 for example, what could be the distribution or the division between the two or the three businesses, like which is the banking technology solution service partner versus the API for time pay that we have built?

**Deepak Thakur:**

Ashish, you want to take this up?

**Ashish Aggarwal:**

Yes. Right? Bank, you can say somewhere about, this is one third and two third, between banking and their best API business.

**Sahil Sharma:**

Got it, got it. So, sir, last question from my side, sir. If we, look at the kind of payment handle that we built with Cosmos. From what I remember reading in the DRHP, the revenue distribution or the agreement is something like 80% accrues to us, 20% accrues to them or something like that. But I wanted to understand what was the intent behind building it and like, why did we not just reuse any existing payment switches or gateways, like basically, let's say, HDFC, Axis,

ICICI. Why did we build a new one? And also, what advantage does it provide us in doing the rest of the business?

**Deepak Thakur:**

Okay. Sahil, if I would have used something else, I would have paid for it, right? I wouldn't have been owning the technology, neither would I have earned money. So, see the thing is, let us understand the ecosystem very clearly. If you build the processing engine, you charge for it. So, that's what we did. We built the processing engine, we charged for it. Either on license or SaaS-based model, whatever the revenue scope is. So, that's how it works.

Secondly, we play a technology partner role. That means, we provide the interoperability switch between NPCI and bank. Okay, so every bank who wants to be on the UPI ecosystem, they need a partner like us. Because this is not the engine which is part of their core banking. This is a separate engine altogether which connects the bank's core banking with the NPCI ecosystem and only then they participate in the UPI applications such as you transacting on a Canara Bank account on a Google Pay app. So, you need a processing engine in Canara Bank to connect to NPCI, only then Canara Bank will be in Google Pay app. There we have our processing engine.

So, we have built that engine and we are called a TSP in market. So, it's a segment in itself. So being a TSP, we provide this technology to banks. When you say HDFC and all, they will also be having some technology service provider who will be sitting inside and processing this engine. So, we are competitor to that TSP who is sitting inside HDFC bank. So I can't be riding on their technology.

**Sahil Sharma:**

Got it sir, got it. Thank you so much. Thank you.

**Moderator:**

Thank you. The next question is from the line of Parikshit Kabra from Pkeday Advisors LLP. Please go ahead.

**Parikshit Kabra:**

Hi, Hi Deepak. Congratulations on a great set of numbers.

**Deepak Thakur:**

Thanks Parikshit. Tell me.

**Parikshit Kabra:**

So, even Ashish just now mentioned that the revenue split between the two businesses continues to remain one third, two third. So I'm assuming that from the previous quarter of INR24 crores to this quarter of INR28 crores, the incremental revenue is also split between Evok and the new business. Is that a fair assumption?

**Ashish Aggarwal:**

No. More or less, yes.

**Ashish Aggarwal:**

More or less, yes. But there might be some, let's say, last quarter was...

**Ashish Aggarwal:**

More or less, yes. One third or two third. But it doesn't mean that it's absolutely the same number. Last quarter might be 32, this quarter might be 34.

**Parikshit Kabra:**

How much of the INR4 crores extra that has come this quarter, is that mostly from the Evok business?

**Ashish Aggarwal:**

Pardon me, one second. I'm not getting your question.



- Parikshit Kabra:** Sorry, so again, what I'm saying is that the growth in revenue that we have had this quarter compared to previous quarter, is that coming from the Evok business majorly? That's what I am asking.
- Ashish Aggarwal:** Majorly, Yes. Some of the two third portion is from Evok business only. And one-third is from other business.
- Parikshit Kabra:** Got it. Now, one of the things that I wanted to understand, this is just to clear my understanding, I went to the NPCI website and there we have market share of payee PSPs listed out by month. So, I was looking at that number and I noticed that the number of transactions that happened in the previous quarter by Cosmos Bank, which I'm assuming is completely by NPST, was higher than the number of transactions that took place by Cosmos Bank in this quarter. But our revenue has still grown in the Evok business. So would I assume that this number is more in link with the transaction value and has the transaction value increased in a that have gone through Evok this quarter?
- Ashish Aggarwal:** Parikshit, basically it depends upon...
- Deepak Thakur:** Aashish, do you want to take this up for a while?
- Ashish Aggarwal:** Yes, Yes. Parikshit, basically it depends upon we are having multiple merchants. When you are checking in the NPCI website, you put the consolidated number, fine.
- Parikshit Kabra:** But all the transactions that are going through Evok is -- will be going through Cosmos only right? Because as of right now Cosmos is your only sponsor bank.
- Deepak Thakur:** Correct. Parikshit, I'll take that up. Aashish, I'll take that up. So Parikshit, see the thing is the entire traffic of Cosmos Bank is not Evok traffic. So there will be Cosmos Bank traffic also, there will be prospect customer issue traffic as well. So it has to be split around that. And secondly, when you try to match my P&L with the Cosmos Bank traffic, that will never happen. Because our business is split across multiple domains.
- It is TSP, there are 11 banks that we are working with. And at the same time, we have Evok business coming in. And the split is like, whatever Ashish has mentioned, so that is a split available. Furthermore, the Cosmos traffic is also split across multiple areas. There is a peer traffic, there is a paid traffic. There is a merchant traffic that we have and then they have issuer traffic. So, it is, that's not what we are going to match.
- Parikshit Kabra:** Okay, so Deepak, my understanding is just because in the website it clearly see's that this is the traffic for Cosmos as a payee TSP. Would that be only you because what...
- Deepak Thakur:** So any traffic coming from Google Pay, any traffic coming from, I would say your PhonePe or any traffic coming from Paytm, any traffic coming from the QR code that they have released, any traffic where Cosmos Bank has a handle, any traffic where Cosmos Bank has a beneficiary account. So everything cannot be accounted around Evok right?

**Parikshit Kabra:** Ok got it, got it, clear and so this quarter can you tell us what is the GTV that has gone through your API? Ashish?

**Ashish Aggarwal:** Somewhere about INR1,300 crores or between INR1,300 and INR1,400 crores.

**Parikshit Kabra:** So last quarter it was INR4,000 crores, is that correct?

**Ashish Aggarwal:** No.

**Parikshit Kabra:** Ok, my mistake, I seem to recall in the last investor call transcript there was a INR4,000 crores GTV value that was mentioned

**Ashish Aggarwal:** That will not be for a quarter.

**Parikshit Kabra:** Okay, that's not for the quarter. Got it.

**Deepak Thakur:** No, no. You can re-look at it.

**Parikshit Kabra:** Okay, no problem. So this was this quarter. Last quarter, can you tell me as well, Ashish?

**Ashish Aggarwal:** Somewhere about 1,400 Parikshit.

**Parikshit Kabra:** Same, same number?

**Ashish Aggarwal:** Yes.

**Parikshit Kabra:** Okay, got it. I'll come back in the queue. Thank you.

**Moderator:** Thank you. The next question is from the line of Srinivasu K, an individual investor. Please go ahead.

**Srinivasu K:** Congratulations, Deepak and Ashish for delivering excellent set of numbers consistently quarter and quarter.

**Deepak Thakur:** Thanks. Thanks, Ram.

**Srinivasu K:** My first question is, UPI monthly transactions have recently surpassed 10 billion milestone and NPCI is aiming daily transactions to reach one billion transactions per day. So which means almost three fold increase within next two to three years, right?

**Deepak Thakur:** Correct.

**Srinivasu K:** This leads to a critical question, whether banks and fintechs have enough infrastructure to handle such a huge load efficiently to manage this growth? So can the NPST products help banks and fintechs to meet this challenge?

**Deepak Thakur:** So this is a very, thanks for raising such a question. I'm happy my shareholders are raising such questions here. See, let us understand the entire ecosystem and all the participants in the ecosystem are aware about this particular aspiration that the nation has. And obviously, NPST

has built up. Around that everyone has to participate and build it around it. So there are certain pieces where NPST will also play a role as a TSP in the market. And there are certain pieces where NPST as an API -- tech partner will also play a role.

So when you talk about infrastructure, there will be certain innovations around it which will help banks go through this journey. At the same time, there will be certain innovations which we will also have to go through. So for example UPI Lite, when there is an offline methodology to transact and we are able to look at those transactions which are under INR100.

So let's say, UPI Lite is around INR200 in your app. So just imagine that if from 10 hits in your core banking, some way we are able to bring it down to just about two or three where your transactions value of INR10, INR20, INR100, INR150 are actually done offline in your UPI Lite account and it is only when that INR200 is exhausted you go to CMS. So in that case, you automatically have scaled infrastructure, so without even doing anything.

At the same time, there is a consistent need to upgrade the technology, which we always do. And furthermore, there are few more ways to actually look at it. Instead of simply hitting core banking, now there is an opportunity around credit card. So instead of simply going to core banking, it will go to Card Management System. So the load will be on the UPI switch, not purely on core banking. So that is how the ecosystem is evolving. So it's not only about infrastructure, but it is also how innovatively we are trying to look at the traffic and the solution.

**Srinivasu K:**

Thank you. The next question from my side is, so as per the annual report, NPST is processing about 8% volumes of UPI transactions, right? That is about 800 million transactions per month. So how much improvement in market share in UPI volumes can be expected from NPST for next one year or two years?

**Deepak Thakur:**

So Srinivasu, I want to re-look at that number because when we actually worked out a number that was based on certain calculations, but yet we are processing huge volumes. There will be an incremental impact on the API business that we have, so there the volumes will increase and As and when we acquire new bank accounts for example in UPI Switch, so whenever we have a new business around UPI Switch that is where our contribution to this particular percentage you mentioned will increase so State Bank of Mauritius India Limited is one, one account around UPI Switch we have acquired.

When we go live with it, our contribution to this percentage will increase. When our business or I would say, traffic on bank accounts in our existing banks increase, so let's say, Canara Bank accounts or Kerala Gramin Bank or Cosmos Bank, Karnataka, you know all of these banks when their accounts increase, that is where again the traffic intake will increase. So Yes, so these are two means by which we see our contribution in ecosystem going up.

**Srinivasu K:**

Okay, thank you. And my last question is about P2M transactions. That is where growth is happening rapidly and our evoke solution is actually helping the merchant, right?

**Deepak Thakur:**

Right.

**Srinivasu K:** So, what is the target we can expect from current 14 million monthly merchant transactions in the next one year or two years?

**Deepak Thakur:** I don't know how to post the numbers, future numbers here because I don't know what are the guidelines around this. However, we have a very focused approach on having the incremental impact and you know multiply only by 1x, 2x, 2.5x, 3x every year. So quarter-on-quarter, it may not be so visible because I would say that there is lot of business decisions and there are lot of efforts around building certain accounts.

So there, I would say that, okay, the increase maybe, we may try to have around 20%, at least 20%, 30%, or maybe more, depending on which particular business has got settled within operations, within APIs also, because it's not purely simple API release, it is also what set of business we are building around those APIs.

**Srinivasu K:** Okay, that's all. Thanks a lot.

**Ashish Aggarwal:** One more thing, let me rectify my number. Parikshit, I think he asked for quarterly numbers and I have given him monthly numbers. He was right. Last quarter somewhere about INR4,000 and this quarter somewhere about INR4,200. So he asked for monthly number that was according.

**Srinivasu K:** Okay. All right. Thanks.

**Moderator:** Thank you. The next question is from the line of Anurag, an individual investor. Please go ahead.

**Anurag:** Hi sir, amazing results. I just wanted to congratulate you on that. I just wanted to understand, currently India's vision is to take UPI global. For example, we are targeting new geographies like Sri Lanka, Nepal, even other countries. So do we see us expanding to international transactions as well? Will there be any regulatory challenges out there? That's the first question.

**Deepak Thakur:** Yes, you want to share your second question? I'll answer first and then move to the next one. Okay. So see in the NPCI's global charter, or I would say UPI's global charter, just consider us as being part of two ecosystems. One is being partner as a technology processing engine. Second is the API back that we have built for the payment aggregator.

Now in both the cases, I would say that this regulatory hurdle shouldn't be a challenge because we are purely following the NPCI's roadmap. Around what exactly a technology partner is supposed to do when it provides services to bank or wherever the processing engine is required. So we purely follow that requirement.

Secondly, from the API perspective, we follow pure RBI guidelines or the guidelines around payment very clearly. Wherein, who exactly can consume it, where exactly it can be transacted, the KYC norms, EMA, all those. So, for us, it is just following up those principles.

**Anurag:** So, basically my question was related to regulatory challenges in terms of international agencies like, let's say, these transactions will be happening let's say, in Sri Lanka for example. So, won't we need to register with the payment regulator out there and comply with their guidelines as well? Will that be a challenge? That is the question.

**Deepak Thakur:**

So for last one year we have been trying to understand the international market. So it's not that we have not started and we have not clicked yet. Because what happens is every territory or I would say every country has a very different set of challenges and what may work in one particular country may not work in another country.

So again, our entry to that country being a technology company should not be a challenge because it's just like, someone who has built a solution is better placed to take that particular platform to another market wherever it is required. Just the way we did with wallet, the wallet was built in India and then, they took it to Africa or multiple other countries. So as a technology partner, I see not having such hurdles, only when you are operating a particular field in ecosystem, that is where such kind of process has to be followed or these have to be handled.

**Anurag:**

Got it. Thank you for the detailed answer. The next question is being, sir I just wanted to understand the competitive scope. For example, you mentioned in an earlier event that one of our competitors holds about 60% of the market share like by partnering up with SBI and HDFC Bank.

So and currently we have about six to seven banks as per my knowledge and we aim to increase that by 3x to 4x in the coming one year or two years. So do these banks -- do they do not have -- do they not have this solution currently or are we trying to take these clients away from other competitors by providing them better quality service or at a better price? So how are we planning to increase these number of banks that we are partnered with?

**Deepak Thakur:**

So we have to look at it from two ways. One is the time has come wherein the product has to go through certain innovation. So we cannot be simply selling the issuer and acquirer platform. So what more, so we we built Qynx which was a merchant acquiring platform sometimes back and that is what we have taken to market. So we have got three to four more accounts on our merchant acquiring platform and then we are talking to people in market.

So that is where we will acquire certain business on Merchant Acquiring Platform. Not necessarily that it will compete directly with the Switch business which is existing in the market but it will give us an entry into banks, it will give us those opportunities which we will be bringing our solution around large as well as small, medium size of banks. So that is one area that we have been focusing on and that is what has clicked us.

Secondly, wherever there are tenders, wherever there are opening around, around businesses being available on UPI Switch, that is also where we are targeting. Just like we got one account, like I said, Switch is where the maturity of, market maturity has already arrived. So in that case, for us, in order to enter into those banks, it is a time-consuming process. And that is where, although we have that aspiration, but we will be looking at what are the changes or what are the new tenders coming into this particular requirements.

**Anurag:**

Got it. Thank you, sir. That's it.

**Moderator:**

Thank you. The next question is from the line of Rajiv Sehgal, an individual investor. Please go ahead.

**Rajiv Sehgal:** At the outset, I'd like to congratulate the management on an excellent set of numbers and I wish every success to the company going forward. I have a couple of questions. My first question is, can you give us a sense of your revenue targets for FY '24 and FY '25?

**Deepak Thakur:** Okay. Well sir, I think with this half yearly number you might have got the sense that we are at 120% of our last year FY '23 numbers. So last year I think it was 42, around 41 point something, and we are at 53 right now. So, the good part is that we have already crossed that 100% revenue number before half yearly end. So, considering this number, as an organization, our aspiration is not to go downward in our incremental trend that we are showing. So this is what exactly we may look forward in FY '24 as well as we have two more quarters left and we would like to show the incremental number on every quarter that we have shown from Q1 to Q2, Q3, Q4. So this is what our FY '24 numbers will look like.

Secondly, for FY '25, we are still working on our business strategy. We have just finished our half yearly budget and we have been working for the March '24 strategy so that by April we are ready for FY '25. There onwards again, since the market is exponential, I would say, the numbers should again for an organization like this, whatever trend we have shown from FY '23 to FY '24, we would like to continue the same trend for the next year as well. That's what our aspiration looks like.

**Rajiv Sehgal:** My second question is that your half yearly revenue from operations was about INR52 crores. From how many APIs was this achieved? And what was Evok's contribution in this?

**Deepak Thakur:** Sir, I think Ashish has already answered that Evok's contribution was about two thirds.

**Rajiv Sehgal:** Yes, that he mentioned it's about two-third but from how many APIs was this achieved?

**Deepak Thakur:** Okay, I'll tell you. You should look at APIs as a set of one particular service. So I would say that there are two payment services that we are currently offering through a set of 7 to 8 APIs. One is obviously where we are collecting payment via a Collect API, second is where we are collecting via QR. So both of these have contributed, so it may be a set of 7 to 8 APIs. But it should be looked at as a product.

**Rajiv Sehgal:** How many? Sorry, just repeat.

**Deepak Thakur:** We have about 7 to 8 APIs. But it should be looked at a product. But you should be looking at it as a product. Not as a separate set of API that every API is contributing something. It's not like that. So there are certain set of APIs which contribute to a certain revenue generated on transaction.

**Rajiv Sehgal:** Now in the UPI stack, your APIs have gone up from 5 to 30. So what was the resultant growth in transaction volumes due to the growth in number of APIs?

**Deepak Thakur:** Sir, we have mentioned that as our future roadmap to take it from 5 to 30. We have not arrived at 30 yet.

**Rajiv Sehgal:** Okay, fine. So once you arrive at say 30 APIs, what volume, what transaction volumes are we looking at when we have 30 APIs in place?

**Deepak Thakur:** So the growth factor which I told you for FY '24 and '25, that will be the resultant of this particular increase in API. So that's the impact.

**Rajiv Sehgal:** These 30 APIs you expect to achieve by when?

**Deepak Thakur:** Another, maybe around three quarters, max.

**Rajiv Sehgal:** Another three quarters, okay. By the...

**Deepak Thakur:** But see it is going to be -- I'm sorry, Rajiv, can I hold you here? Don't count API number with the P&L. Please, I would like to hold you here. What happens is that, let us understand, the business arrives from certain products that we sell. We are in the payment industry. So let's say if I have a certain market to capture on the collect API, so I will capture it.

Now in order to have an incremental impact, not from the new set of products, even from the existing set of products, I may have to increase certain services, I may have to increase certain sources of stickiness to those APIs. That is where I will want to keep working over. So our roadmap to continuously improve our API Bank, API technology, is not just to have a direct incremental impact on the revenue, but also to have the stickiness, as well as an incremental impact on the existing set of business.

So that is how the business works. So there is an impact on the existing set of business. So that is how the business works. So there is an impact on the product offering or there is an improvement in the product offering we do, which is the set of APIs that we bring in market.

Now how it impacts the business? That I have already explained. That quarter-on-quarter, we see this incremental impact coming in from our existing set of plans, and we are able to reach out to the new set of customers.

**Rajiv Sehgal:** My next question is your mission statement says that you would like to achieve top five digital transactions volumes in India. By when, by which year do you expect to achieve this and at that stage what would your annual transactions volume be?

**Deepak Thakur:** Sir, this is by our next 5 years plan, very straightforward.

**Rajiv Sehgal:** Next 5 years plan?

**Deepak Thakur:** And when we, Yes, so we have, so how do we work out is our yearly plan, three years plan, five years plan. So for us, our mission will remain consistent for next five years. Now what happens in this case is when I say top five, in that case, I wouldn't say that it's the number that will matter because the moment we reach there we are probably talking about you know services spread across multiple customers, multiple banks all taken together.

So in that case who actually is holding what count of transaction or what volume of you know business -- sorry volume of transaction that is where we will have to look at the number. So for

now I would say that we this is already factored in our three years and five years strategy. So number I would say that if we are currently looking at let's say 0.15% of total API volume, maybe 0.1% odd, so we would like to have at least a good market share of at least 20x from here on. So how do we arrive at that 20x? That's the mission that we want to achieve.

**Rajiv Sehgal:** Right, got a sense. Now NPST currently processing 3.9 million UPI transactions daily for banks, what will this number be in the next financial year FY '25, what do you expect it to be? Currently you are doing about 3.9 million UPI transactions daily?

**Deepak Thakur:** Sir, this will grow with the, because it is part of my TSP business, this will grow as per the industry growth. So if the industry is growing at 1.1x, this 3.9 will also grow at 1.1x. So when it grew from about 5 billion to 10 billion that is the journey where we have gone from gone up to 3.9 million -- sorry, it's not 3.9 million.

What is the number you mentioned? Yes, 3.9 million per day. What is the number you are saying? 39 million. 4 crores. 4 crores per day. That's the volume processed. Yes 4 crores per day. Yes. So it is going to be the UPI trend that it will follow. UPI growth trend.

**Rajiv Sehgal:** Sorry, in your latest presentation, I picked up this figure from there. You're talking of 3.9 million UPI transactions daily for banks. So my question was, what is this number likely to be in the next financial year? So you are saying you are linking it...

**Deepak Thakur:** Sir, in the next financial year if next financial year UPI price is growing at 2x then this should be multiplied by 2.

**Rajiv Sehgal:** What is the industry growth expected? Can you give a sense?

**Deepak Thakur:** Sir, next 2 years we are expecting about 30 billion transactions per month from 10 billion here onwards.

**Rajiv Sehgal:** Okay, and currently you are processing 1.4 million monthly merchant transactions on Evok. What is this number likely to be in FY '25 next year?

**Deepak Thakur:** We are targeting 2.5x from here onwards.

**Rajiv Sehgal:** Sorry?

**Deepak Thakur:** 2.5x from here onwards.

**Rajiv Sehgal:** Okay

**Deepak Thakur:** It will be 2.5x.

**Rajiv Sehgal:** Okay. My last question is that at the AGM, I had raised this question on bonus issue. Now your free reserves and surplus are 5x the share capital. And at the AGM, it was mentioned that we are thinking about this very strongly and will be coming back very soon on the conclusion. Any thoughts on this?



- Ashish Aggarwal:** It's already in discussion. Already in discussion. I think we are taking care of some compliance. Maybe by before December we'll get the news.
- Moderator:** Thank you. The next question is from the line of Aditya Mota, an individual investor. Please go ahead.
- Aditya Mota:** In your opening remarks, you said you are trying to increase the horizon of your company. So, how exactly are we doing it? How exactly are we seeing our growth, different, different growth areas and where exactly we can put our leg into and grow into those areas?
- Deepak Thakur:** So Aditya, you know we have been extremely fair and transparent with our shareholders and that's why you know the kind of questions coming in right now, I think that should be something where you should pick up from. We clearly mentioned about our strategy about horizontal and vertical growth. So when I say new horizon, it will come from two angles. One is what is our product strategy? What is our product roadmap that we have built as an organization?
- So is it only UPI or there are possibilities beyond UPI as well. So the moment we start focusing on those products, it increases our horizon across the banking segment, and in fact, those who will be consuming the processing engine, maybe today, it is just banks, tomorrow, if at all, let's say, this is a requirement by PAPG, or if it is a requirement coming in from maybe NBFC sector. So in that case, we will have the ready product with us. So that is horizontal.
- Again, Rajivji asked questions on API. So that is also something which I very clearly explained, how this API growth should be looked at. So the moment we start building those APIs, obviously the stickiness, the growth around the business that we have from the existing customer and the new customers, everything increases. So that is how, we are trying to target the market from our product strategy.
- Second is, when we look at the business, we are today looking at banks and payment aggregators, is there a segment beyond this that we can service, so it increases our target audience. So how do we reach out to those target audience, what is the mix of solution that we have, so that is how the organization thinks and we have very clearly mentioned this on our annual report. Yes, Aditya.
- Aditya Mota:** Okay. And what are your plans on listing on the main board?
- Management:** There are certain regulatory requirements. Ashish, you want to take this up?
- Ashish Aggarwal:** Yes. Aditya, there are three requirements. One is you have -- company should be at least complete three years.
- Aditya Mota:** Okay.
- Ashish Aggarwal:** Second one, there is, I think, a minimum thousand shareholder And third one is, if I am not wrong, the reserve should not be less than INR25 crores. So, we will complete our three years in August 2024...
- Aditya Mota:** Okay.

- Ashish Aggarwal:** So only after that we can plan for shifting from this SME to main board.
- Aditya Mota:** Great. Thanks. That's it from my side and congratulations on a very good set of numbers and good cash flow generations.
- Ashish Aggarwal:** Thanks.
- Moderator:** Thank you. The next question is from the line of Harish Kumar Gupta, an individual investor. Please go ahead.
- Harish Gupta:** Hello, sir. I have a question. As you are saying, in financial year '25, we will see dissimilar kind of growth. So, if I extrapolate this half-yearly number, I think somewhere we may end up around doing INR120 crores of revenue. So, almost 3x of what last year we have achieved. So, next year, because it will be higher risk, we can still hope like 3x of revenue or it will be two times, like around 2x or lesser. And my other question will be that, what is our target over the next five years in terms of revenue and profitability?
- Deepak Thakur:** Thanks. Thanks for asking that question, Harishji. Because I believe the kind of flow of question and answer that goes on there is quite a mix-up happening. Thanks for bringing it up. So, you rightly calculated our aspiration for FY '24. That's done. For FY '25, when you take a higher base, obviously, that's not what FY '23 to FY '24 will follow in FY '25. But the growth around quarterly numbers that we were trying to share, what I am trying to give you an idea about, how exactly we are going from Q1 to Q2 and here onwards, if we have achieved about 120% on our last year's revenue in half-yearly one and then we have two more quarters left, so you will be able to arrive at FY '24.
- But here onwards, then from FY '24 to FY '25 will be again this year onwards. It will not be last year onwards. FY '23 to FY '25 don't count, count FY '24 to FY '25.. So that is how you should be looking at the growth options. I mean, you should look at the numbers this way. Ashish, you want to add something or... How is it?
- Ashish Aggarwal:** No, it's perfectly fine. Actually, last year we have added our second business line in September 2022. After that, exponential growth was there. I don't think you have to calculate on that basis that this year we will achieve 120% and next year, it should be 3x or 4x. I think, this is not an ideal scenario. You can check on quarter-on-quarter basis, what we are achieving.
- Harish Gupta:** Okay, sir, in next five years, if I rephrase my question, so can we achieve around 50% CAGR in next five years? Or it will be a long period?
- Deepak Thakur:** It's too early to give that number. Like I said that, we work on short-term, then three years, then five years. We have set our measure very clear. We want to achieve that top five position. To achieve that, where we are right, I think it can be whatever number that you are giving or it can be less or even more because the market is getting disruptive, the opportunities are opening every day. There are new products being launched for the Indian consumers as well as global consumers There are new products merging into the existing ecosystem.

Like credit cards coming into UPI or cross-border transactions around UPI or I would say ,that a new product line around CBDC, Central Bank Digital Currency, e-Rupee is being discussed now.. So, it can only be predicted maybe year-on-year. So, good to have adding that number, no doubt about it. And we don't want to stop at or we don't want to slow down our growth. That's for sure.

**Harish Gupta:** Of course, but you can confidently say that in the next five years, we should have quarter-on-quarter growth?

**Deepak Thakur:** We can do that.

**Ashish Aggarwal:** Of course, I think there is a good growth potential. But we have to, I think bandwidth is a deciding factor if I am not wrong. And as an organization, we are trying to build a management training team to cater to all these things. So, I don't think there is a challenge on quarter-on-quarter growth. But we have to identify, on which level, growth will be there. That is more important.

**Harish Gupta:** Yes, that's okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Sanika Khemani from Crown Capital. Please go ahead.

**Sanika Khemani:** Congratulations, sir. Yes. So, my first question was asking, like you have been growing at 14% to 15% on a quarter-on-quarter basis. So, are we still looking at that kind of a growth? And my second question is, do we have any seasonality in the revenues, like on a quarter-on-quarter basis?

**Deepak Thakur:** So, we haven't seen seasonality because the payment requirement is year round. We haven't acquired such a big market share or we haven't arrived where in the festive season impact can be seen for now. But that seasonality impact will come as and when we have maybe larger market share, maybe as and when we grow in a couple of years. So, this kind of impact, the kind of sale happening around, Amazon, Flipkart or I would say all of these online businesses in Q3 odd, I think Q3 of October, November, December, maybe our time.

At the same time, the kind of transaction that increases around World Cup or the transaction. So, you understand that whenever there is a transactional impact, there is a seasonal impact. So, it can be a boost to the organization. However, we are not at that stage wherein it impacts us because our territory, our number is very less. Very, very less. Okay.

Second, I will answer your first question. Yes, we are working towards achieving the consistent growth every quarter. So, whatever number you have mentioned, we intend to achieve those numbers or try to better ourselves every time we work around the quarterly started.

**Sanika Khemani:** Okay. And just a follow-up question. Like you said, whenever we increase the market share, that time our seasonality factors will come in, right? So, if you can just give us that number, like what kind of a market share should that be?



- Deepak Thakur:** We have not arrived there, Sanika, because at what number? For example, if our portfolio around e-com increases heavily, okay, then there can be this factor coming in. If our portfolio around skill gaming increases extremely heavily, then this factor will come into picture. So, we have not yet arrived wherein we are consuming a huge set of numbers in market which will give this impact. So, too early to say that. We have not encountered it yet.
- Sanika Khemani:** Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Gopal Chandak sir, for closing comment.
- Gopal Chandak:** Thank you. Thank you everyone for joining the conference call of Network People's Services Technology Limited conference call. If you have any query, you can write us at [info@researchkirinadvisors.com](mailto:info@researchkirinadvisors.com). Thank you everyone for joining this conference call.
- Moderator:** Thank you.
- Deepak Thakur:** Thanks. Thanks everyone.
- Moderator:** On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.