

Network People Serv.

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to Network People Services Technologies Ltd. Q1 FY27 earnings conference call hosted by Valorom Advisors. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Provangi Jain from Valorom Advisors. Thank you, and over to you, Ms. Jain.

Provangi Jain – Valorom Advisors: Thank you. Good morning, everyone. My name is Provangi Jain from Valorom Advisors. We represent 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 Q1 FY27.

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 risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs, assumptions made by management, and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements when making any investment decision. The purpose of today's earnings call is purely to educate and create awareness about the company's fundamental business and the financial quarter under review.

Now let me introduce the management participating 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, and Mr. Ashish Aggarwal, Joint Managing Director. Without any delay, I request Mr. Deepak Thakur to begin his opening remarks. Thank you, and over to you, sir.

Deepak Chand Thakur – Chairman & MD: Thank you, Provangi. Hi, everyone. A very good morning, and it is a pleasure to connect with all of you. As this is the first-quarter results call, we would like to share not just the numbers, but also the fundamentals behind them and how this will develop this year as well as over the next few years. We believe that companies are built by creating sustainable platforms, solving meaningful customer problems, and consistently executing a long-term vision rather than chasing short-term goals. We completed this business transformation last year, and we continue to make efforts to build a stronger platform for the global company that we want to see in NPST.

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

As we committed in the last call, we explained in our financial results that our focus has been multi-pronged to take the organization to the next stage. First, we want to de-risk the organization from the impact of industry-wide regulatory landscape changes, which brings more stability. Second, we want to pivot into multiple new products and segments, including RegTech and

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AI-based risk intelligence. Third, we want to create a global footprint and acquire accounts from newer territories. Fourth, we want to build a SaaS-based profile to add recurring revenue. We worked on all the above directions, and now we are seeing both the funnel and the results moving in this direction.

Although we have brought down the contribution from payment platform as a service, as I mentioned in my last presentation, any positive move on MDR on UPI will revive this segment. We are closely monitoring the progress for now. We may not see an immediate impact, but it will make a visible difference depending on how early the industry absorbs it. In RegTech, we have picked up deals in the cooperative segment, and now we also have an order from a large PSU. We intend to launch a SaaS-based subscription for mid-sized and small banks. That will again give us a larger universe to address.

We had discussed our vision for a global foray, and here we have been able to capture a global account in Q1 itself. Our team is now acquiring new accounts quite frequently due to the presence of the SaaS-based "bank-in-a-box" model that we invested in last year. While historically we have been associated with payments, the efforts invested last year to diversify have evolved NPST into a broader fintech company—a platform with capabilities not just across payments, but also in RegTech, banking technology, AI-led compliance solutions, and international digital financial infrastructure.

Another significant milestone during the quarter has been the continued progress in our international business. We are not merely aspiring to acquire business; we now have a revenue contribution coming in. This validates the relevance of the technology we have built. It is not limited to India; it can go beyond India and demonstrate the scalability of our product across different geographies. We do not view the international market merely as an additional revenue stream. We believe it is going to be a strategic pillar for the company going forward.

We are consciously investing in products, global business development, artificial intelligence, SaaS infrastructure, and skill-set development. These investments are a cost today, but they are growth enablers intended to strengthen our competitive position in the coming years. We see continued momentum across banking clients, growing demand for regulatory technology, increasing adoption of digital payments, emerging international opportunities, and a stronger technology ecosystem. Our pipeline remains healthy, our customer engagement continues to deepen, and the strategic direction that we set at the beginning of the year remains unchanged.

Coming to the numbers, I think if you have gone through them, the year-on-year revenue increase has been about 75%. We closed at about 61.42 crore. Our EBITDA has grown by 66%, and our net profit has increased by 53% to about 11.4 crore. I think that should be enough for now. I will take questions from here. Provangi, over to you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, you may press star and one to ask a question. The first question is from the line of Akshay from AK Investments. Please go ahead.

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Akshay – AK Investments: Hi, sir. Thank you for the opportunity, and congratulations on the good numbers. My first question is about the revenue guidance. We had earlier guided that we should be able to grow by around 15–20% quarter-on-quarter throughout the year, but in the first quarter itself we have declined quarter-on-quarter. What should be the fair assumption on the revenue front? We had also guided that we should reach the highest quarterly revenue of around 67–68 crore in the next quarter, but we are still 10 crore behind this target. Please provide some more color on the growth trajectory going forward.

Deepak Chand Thakur – Chairman & MD: Thank you, Akshay. We gave guidance of about 60–70% growth, and that remains unchanged. There is no challenge at all. In fact, I addressed this question in detail in the last quarter itself when I explained the nature of the business. I clarified that we brought down our projection in the P-PAS segment to just about 5% to reduce the risk associated with that segment. We are now more of a technology-led subscription and overall solutions company selling into the ecosystem, which may not have exactly the same nature of revenue every quarter.

That is the reason why I also clarified that you should definitely look at the yearly numbers that are reported. We had clarity on the funnels we had, and we knew how this was going to work out. That is why comparing Q4 of last year with Q1 may not be the right approach. You should look at how the company is growing year-on-year and whether the numbers we are sharing are meeting the guidance. The answer is yes; we are following the same trend, and there is no change in the guidance.

When it comes to the overall numbers, I think last quarter we were able to do about 68 crore, which we already achieved as our highest-performing quarter. That will be achieved again this year. The triggers are coming in, the numbers are coming in, and as execution and implementation progress, we will definitely exceed that level by a significant margin in some quarter.

Akshay – AK Investments: Okay, sir, fair enough. We are also sticking to the full-year FY27 EBITDA margin guidance of around 30%, right?

Deepak Chand Thakur – Chairman & MD: That remains unchanged.

Akshay – AK Investments: My second question is about MDR. Recently, there was a bill in Parliament approving MDR on UPI. Do we get any benefit from it, and what are the economics of the bank's revenue and our sharing on that front?

Deepak Chand Thakur – Chairman & MD: It is an advantage to the company. However, we are waiting for guidance from the regulator, banks, and NPCI, and we are extremely positive about how this should develop. To give you an idea, we build the acquiring infrastructure for banks on which the entire UPI payment ecosystem operates. On the basis of that platform, there are certain contracts that we usually execute on a SaaS-based model.

The entire industry had limited funding in the absence of MDR. The moment MDR starts flowing in, when UPI is processing about 23 billion transactions, even 5–10% of those transactions will bring in a huge amount of revenue for the entire industry. That revenue will flow across payment aggregators, banks, and TSPs like us. We will start generating that revenue. The P-PAS segment,

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which was reduced to just about 5%, will start flourishing. We reduced the risk associated with platform revenue, and now MDR revenue will start coming in. That will add a good amount of revenue to the organization.

Akshay – AK Investments: Lastly, regarding our international market presence, we are continuously developing our international presence. What type of products and solutions do we provide in the international market? Also, in the presentation you mentioned that we have received the license—we have received the order—for the Super App of one of the biggest telecom companies in India. Could you provide some color on these two developments?

Deepak Chand Thakur – Chairman & MD: Unfortunately, I will not be able to specify exactly which 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 and digital banking, we have multiple products. We have an interoperable payment platform, a merchant acquiring platform, and a banking Super App. We take all of these as a bouquet and go to the international market.

With the order we have received, we are transforming the entire digital landscape and payments for the telecom provider. To give you an example, if I replicate the model, Airtel is a telecom provider, but Airtel also has Airtel Money and Airtel Payments Bank. That is where an opportunity opens up for us when a telecom provider has fintech options.

Akshay – AK Investments: Okay, sir, fair enough. Thank you so much, and all the best.

Deepak Chand Thakur – Chairman & MD: Thank you.

Operator: Thank you. The next question is from the line of Nishant Joshi from Equisense Advisors. Please go ahead.

Nishant Joshi – Equisense Advisors: Good morning, sir. In the last conference call, you mentioned that if we do business with Indian companies, we get margins in the range of around 15–20%, whereas for global clients it could be in the range of 30–35%, which can reach up to 40% as well. You also mentioned that international business would be on a faster growth trajectory. Do you still stand by that, and can you give us a number indicating how much of our sales are coming from international markets and how you see it growing over the next 12–15 months?

Management: The orders that we pick up will go through an implementation cycle. That implementation cycle can range from 4 months to about 9 months. There are milestones associated with it. Therefore, there will be early revenue realization in certain cases, while in other cases, we will immediately record revenue in the quarter after implementation. That is the reason why I was explaining that we have received one order and, to be honest, there are two more deals in the pipeline. We will therefore be sitting on a very good order bucket by the end of this quarter.

When it comes to the margin, yes, that is the margin we are targeting, and that is the margin on which we will be working. For now, if you look at the consolidated numbers, about 10–12% is coming from international business. As the project progresses, projects can range from 4 years to 5 years or even longer. During those stages, we start generating more and more margin as implementation is completed and revenue starts coming in.

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Nishant Joshi – Equisense Advisors: My second query is again related to the same UPI payment system industry. Can you provide an outlook for the industry overall if MDR is introduced? Do you see the value and volume of transactions on which MDR would be implemented experiencing a lower growth trajectory?

Management: What I am going to tell you right now is strictly based on my personal experience because we are yet to receive guidance from our customers, such as banks and NPCI, and from the regulator. That guidance has not yet been released. It is therefore far too early, and that is the reason why we are not giving very aggressive numbers around it. We are yet to see how this will develop.

However, once it is implemented, because it has already moved in a very positive direction, it will immediately lead to an upgrade in the projection we have made around payment platform as a service, which we have completely tapered down for now until we see that impact coming in. That segment will get a boost.

Second, we must also understand that the current discussion is around higher-ticket-size transactions. Honestly, customers and merchants will not all be charged. High-ticket transactions are associated with merchants who can afford to sell those kinds of products. If you go to a small grocery store, your ticket size is much lower than when you make a larger purchase. When the ticket size is larger, the MDR being discussed is not even equal to what we have on cards; it is much lower than that.

Therefore, I do not think that the revenue bucket associated with those particular transactions—or, rather, the transactions associated with that revenue bucket—will be impacted. That particular business is already generating good-value transactions, and MDR at a much lower rate on UPI is better than paying for higher-cost card-based transactions. Rather than using cards, merchants will still prefer UPI because MDR is much lower on UPI compared to cards. Small businesses should not be affected, and large businesses will definitely have the option to use UPI at a lower cost.

Nishant Joshi – Equisense Advisors: Thank you, sir. Thank you for your view.

Operator: Thank you. The next question is from the line of Ankit Kanodia from Zenivesh. Please go ahead.

Ankit Kanodia – Zenivesh: Thank you for taking my question. My first question relates to the last point you mentioned regarding large transactions. I think 4–6% of total UPI transactions fall into the bucket where MDR could be available. Considering our current position, do we see a sufficiently large pool for us, given that it is restricted to only 6%?

Management: That business represents 6–7% of transactions and consists of large merchants, not small merchants. If you look at the ratio among large merchants, and categorize the merchants with much larger balance sheets, we are probably talking about almost 80–90% of the top merchants coming under the MDR bucket.

Where do you find these merchants? They are present across all acquiring platforms. There are no more than 80–90 banks with acquiring capabilities, of which approximately 15–20 leading banks are

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actually catering to these kinds of merchants. In our portfolio, we have PSU banks, private banks, and cooperative banks, all of them on our acquiring platform. We therefore definitely see some opportunity.

Ankit Kanodia – Zenivesh: One thing was not very clear to me, and I am sure you alluded to it in your previous remarks as well. Everything is still not clear, and you are waiting for the communication. What I want to understand is whether we will directly benefit from MDR through our share, or whether we will only benefit from the market expanding, with this 4–6% market potentially doing very well and increasing business for us in the long run. Will we also receive a direct share of MDR when it comes?

Management: I will split it into three parts. When I say that we have not received communication, it means that 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.

We have not received communication from those entities, and that is why we are saying that the communication is not yet available. However, the industry is already moving in that direction. Once that entire process is completed, it will reach our customers, and from there it will come to us. That is what I meant.

I am not denying that it is moving in a positive direction, but I do not want to make any numerical projections unless we receive the document from them specifying the changes and confirming that MDR can be charged. That is what I was referring to.

Ankit Kanodia – Zenivesh: That was very helpful. My next question—

Management: I will answer the second question. One benefit is that good revenue will become available. The total transaction value on UPI today is approximately 2.7 trillion every month. If you take this number, apply the 4–5% that you calculated, and then apply MDR, imagine the money flowing into the ecosystem.

When that happens, more money will be available to pay technology service providers, upgrade platforms, and accelerate the roadmap to generate more revenue. There will definitely be competition among banks to generate more revenue because of this MDR, and more investments will come in. Therefore, TSPs will get an added advantage. This is an indirect benefit for us.

Second, on the payment platform, we have orders where we have implemented an acquiring platform and receive payment per transaction. Wherever that is the case, we will receive a direct benefit.

Ankit Kanodia – Zenivesh: Thank you so much for that detailed answer. On the same MDR issue, when the Honorable Finance Minister was speaking in Parliament, she also highlighted the need for cybersecurity and fraud-detection software. How do we view this opportunity for us? I am not asking for definitive guidance, but from a qualitative perspective, how are we positioned, and how do we see that business developing for us?

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Management: We anticipated this problem in this segment more than a decade ago. We are the only company that not only has infrastructure around banking and payment platforms, but also has RegTech. We invested in AI-based risk intelligence 2.5–3 years ago. In the last conference call, we clearly said that it was previously just a product, but we have now created a separate vertical to focus on it.

We see a much bigger opportunity for NPST, where RegTech will become an implicit regulatory requirement for having such software to control cyber fraud. What we built was complete AI intelligence around the merchant acquiring platform: how transaction loopholes can be identified and how merchant risk can be underwritten.

That is what I was referring to when I said we received an order from a large PSU. The product is proven, and we are now going to create a subscription-based model for the small- to mid-sized segment. That is definitely in our plans. If there is any further positive change in regulation that requires this kind of software to be mandated, it will immediately help our RegTech growth.

Ankit Kanodia – Zenivesh: One last question, if I may. How do you see this MDR issue affecting micro-ATM and smart POS deployment in rural and remote areas, where there is still no scope for ATMs and micro-ATMs are the only option? At one point, the RBI had the PIDF, or Payment Infrastructure Development Fund, which was later stopped. Do you see this being revived in some way because of MDR, and do we benefit from that?

Management: To be honest, that is more related to AEPS, where withdrawals happen through biometrics. There is also a product called UPI Cash Point, where MDR has always existed and has never changed. It is therefore an entirely different segment.

We cannot directly compare it with this impact because, for UPI cash, if you want to withdraw cash through a QR code, there was an MDR cost, and there has been no change in that. Second, when it comes to the competition between micro-ATMs, ATMs, and AEPS, that is a completely different product. I would not like to comment on anything in that direction.

Ankit Kanodia – Zenivesh: Let us keep MDR aside. How do you see the micro-ATM market developing for us going forward?

Management: Unfortunately, I am not directly involved in that segment, so it would be difficult for me to comment. However, what I see is that in 2–3 years, UPI Cash will definitely make inroads compared with the higher cost involved in micro-ATMs. If there is greater confidence, lower cyber risk, and a compliant system, we believe UPI Cash Point will grow. That is where infrastructure costs decline and revenue becomes available for everyone.

Ankit Kanodia – Zenivesh: Great. Thank you so much, sir. That was very helpful, and all the best for the {? [unclear] ?}.

Operator: Thank you. The next question is from the line of Hardik Gandhi from HPMG. Please go ahead.

Hardik Gandhi – HPMG: Hello, am I audible?

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Management: Yes, Hardik. Please go ahead.

Hardik Gandhi – HPMG: I have two questions. First, I think we provided very aggressive margin guidance in the last quarter, and this quarter, when I look at the EBITDA-level margins, we have dropped {? [unclear] ?}. What is the reason for that, and should we evaluate it on a year-on-year basis? How should we look at it?

Management: As I said, the margin we referred to is a combination of domestic, global, and RegTech businesses taken together. That is why we also provided the cautious explanation that the nature of the business has changed. Previously, 90% of the business was PPAS, which has now been reduced to a projected 5%. You should therefore be looking at technology-led growth.

The margins from the orders we picked up in Q1 and the orders we picked up in Q2 will start contributing, and the average will definitely be much higher than what we currently have. That is why we are confident that by the end of the year we will meet our guidance. The global business will add margin, as will RegTech, which is an AI-based product and also has a higher margin. That is where the impact will come from.

Hardik Gandhi – HPMG: As a follow-up on the global business, I wanted to know whether we are able to expand our offerings to new banks, or whether we are only trying to cross-sell to our existing customers.

Management: Our first target is always banks, central banks, and the BFSI segment because that is where the opportunity evolves. However, when we go to global markets, the interesting case we are encountering is that other segments are also struggling with the same problem.

The nature of the payment ecosystem differs from one geography to another. However, the product we have designed and developed has universal acceptance. It may be used in banking, telecom, or any other segment. We are still evolving.

To be very clear, of the first three orders we are going to pick up, only one order will be from a payment service provider; the remaining orders will be from other segments.

Hardik Gandhi – HPMG: I wanted to understand the traction because we had earlier mentioned that we are far ahead of our global peers and that our technology is significantly more advanced because of the rapid adoption of UPI and other technologies in India. We had mentioned that this would be the low-hanging fruit for us to capture global banks in different countries. I am not sure whether we have not been able to tap that opportunity successfully or whether it is simply taking time.

Management: We are connecting in less than 3 months, and I have already shared the order book. What we already have and what is newly coming in demonstrate the traction available. There may be a possibility that certain orders we anticipate in 3 months may come in 5 months. That may happen, but the overall business we saw from last year's efforts remains intact. Our funnel is growing, and at the same time our traction has only improved. I do not see any change at all.

Hardik Gandhi – HPMG: My last question is about the IPO funds. I think we received them in December, and it has been 8 months. We have used only approximately 10–15% of the funds. What

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is the deployment schedule or plan?

Management: We have currently narrowed it down to approximately three opportunities in which we intend to invest. Our conditions are very strict, and that is the reason it has taken time. In fact, I mentioned this last year as well. We do not want to invest entirely in only one segment, so we wanted to diversify.

RegTech was one area where we had to narrow it down to a few companies. Then there were solutions around AI, and there were also solutions around payment infrastructure. We have identified opportunities in all of these areas. We will definitely see some traction soon.

Hardik Gandhi – HPMG: I just wanted to understand the approximate deployment timeline. Will we be able to deploy the funds within the next year, or will it be a very gradual process that takes 2–3 years?

Management: We will not wait until next year. We will not deploy the entire fund immediately, but we will start seeing deployment over the next 2 quarters.

Hardik Gandhi – HPMG: Will those investments be for product development?

Management: We are looking at market expansion, access to international markets, ready customers, and entirely new products. All those parameters are being considered.

Hardik Gandhi – HPMG: Okay, perfect. All the best. Thank you.

Management: Thank you.

Operator: Thank you. The next question is from the line of Preet Shah from Blue Star Capital. Please go ahead.

Preet Shah – Blue Star Capital: Hello, good morning, sir.

Management: Good morning, Preet.

Preet Shah – Blue Star Capital: Over the last 2 quarters, we have been saying that the next quarter will be better. I understand that the business is changing, but can you help me understand when we will see good year-on-year and quarter-on-quarter growth? From which quarter can we expect it, and how confident are you of achieving this year's guidance?

Management: I believe you should start looking at the quarter we have already reported. We achieved 68 crore in Q4 last year, so we have already breached that maximum number. Even during the transformation period and the change in the business model, we tried to maintain that level.

Secondly, we grew approximately 75% year-on-year this time. The execution cycle and implementation milestones are what start generating revenue. This year, there is again no change in the guidance; it remains intact. We will continue to scale the numbers.

If you evaluate the other parameters, did we receive international revenue? The answer is yes. Have we been able to grow the numbers? Have we been able to maintain and grow EBITDA? Have we

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been able to grow the subscription-based business? Are we receiving revenue from other verticals such as RegTech? All of these are green flags.

If you look at those factors, they take us directly in the direction where everything we committed to is being achieved.

Preet Shah – Blue Star Capital: As you are guiding for 60–70% growth in revenue, is my understanding correct that you are indicating approximately 320–340 crores of revenue for this year? We have done 56 in Q1.

Management: The range is around that, yes.

Preet Shah – Blue Star Capital: We are also guiding for 30% EBITDA margins for this year, right?

Management: Yes, that is the guidance.

Preet Shah – Blue Star Capital: Okay, understood. Fair enough. All the best, and thank you, sir.

Operator: Thank you. The next question is from the line of Sampath Nayak from GTO Capital Advisors. Please go ahead.

Sampath Nayak – GTO Capital Advisors: This is regarding MDR. I wanted to understand whether we are a direct or indirect beneficiary of MDR implementation. When I say direct, if a large merchant collects MDR fees, will we receive a portion of that, or will we benefit indirectly through spending by banks or payment gateways?

Management: We will be paid from the interchange revenue generated by the acquiring bank where we have our infrastructure. We will be paid by the bank for the acquiring activity; we will not charge the merchant.

Sampath Nayak – GTO Capital Advisors: So, for every transaction, will we be paid, or will it be a fixed arrangement?

Management: There are two businesses. One is TSP, and the other is the payment platform. Wherever we have TSP, any incremental software development to generate more revenue, and any investment they make for that purpose, will result in incremental business under our TSP model.

The other model is the payment platform. On whatever acquiring platform we have deployed, any per-transaction revenue generated by the bank due to MDR, which is not present right now, will be shared with us by the bank. That becomes direct revenue for us from the revenue generated through the merchant.

Sampath Nayak – GTO Capital Advisors: So both direct and indirect revenue opportunities are now open, correct?

Management: Absolutely.

Sampath Nayak – GTO Capital Advisors: Thank you, sir, and all the best.

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Operator: Thank you. The next question is from the line of Suman from Envision Investa. Please go ahead.

Suman – Envision Investa: There have been enough questions on MDR. I would request that once things are clarified, you hold a special session on that. Coming to my other questions, how is the competition in RegTech? That is my first question. Secondly, how is TimePay progressing?

Management: RegTech is a very broad subject. To be precise, when we talk about established products such as {? EFIRM ?} or {? EWS ?}, competition has existed for those products for a decade. What we have built is AI-based risk intelligence, which is completely new. It can evolve only if you are able to deploy that solution in a banking environment, which we have done, and we have processed almost 650 million transactions through it.

We therefore not only have a product, but also machine learning and data intelligence, with 98% accuracy. If I consider that particular point, we do not have any competition at all right now. We were the first mover in the market. As a company, we made a substantial investment in this product with the belief that we would be able to take it to market.

Now, when we discuss this product, we do not merely have to compete; we actually have to explain to customers how it will solve their problem. That is the current status.

Suman – Envision Investa: This looks very encouraging. The number of banks—

Management: In fact, it is encouraging. We have received good traction from the global market wherever we are discussing it.

Suman – Envision Investa: That should translate into a good top line over the next couple of quarters, I believe. In any case, all the best. How about TimePay?

Management: Regarding TimePay, since this is a B2C business, we are still waiting for the overall decision on MDR. If MDR has a direct impact on payer revenue, with the payer PSP also receiving a share of that revenue, then it will certainly create an influx of opportunity for TimePay. We can then potentially revive that product with a different and very focused approach to determine the required investment and how the product will develop if this revenue stream is added. That is something we are looking forward to.

Suman – Envision Investa: So we can safely assume that you will cross the all-time-high top line sooner rather than later, over the next few quarters, right?

Management: Absolutely.

Suman – Envision Investa: Fine. Okay, all the best.

Operator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital Partners. Please go ahead.

Deepak Poddar – Sapphire Capital Partners: Am I audible, sir?

Management: Yes, Deepak. Please go ahead.

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Deepak Poddar – Sapphire Capital Partners: Thank you very much for this opportunity, sir. I wanted to understand our current international revenue mix and how you see the international revenue mix developing over the next 2–3 years.

Management: Right now, it is approximately 11–12%. I do not have the exact figure, but that is the range—10–12% coming from international business, primarily from TSP. I do not have the exact split for 2029.

Deepak Poddar – Sapphire Capital Partners: Some range would be sufficient, at the overall company level.

Management: It should be around 30% in the next 2 years, by FY—

Deepak Poddar – Sapphire Capital Partners: You are saying 30% in the next 2 years, by FY28?

Management: You can say FY28–FY29. We are currently in FY26–FY27. So, around 2 years from now, we are targeting approximately 30% or more from international business.

Deepak Poddar – Sapphire Capital Partners: So, by FY28 or FY29, something like that?

Management: Yes, you can say that.

Deepak Poddar – Sapphire Capital Partners: What is the margin differential between domestic and international business? How much better are international margins?

Management: If margins are approximately 15–20% in India, international margins will be approximately 30–35%, or even 40%, depending on the situation.

Deepak Poddar – Sapphire Capital Partners: Thirty to 35%, understood. This year, we are looking at a 30% EBITDA margin, right?

Management: It should be around that, Deepak. It should be around that.

Deepak Poddar – Sapphire Capital Partners: When we say that over the next 2–3 years international business will reach 30%, and the margin differential is also significant, where do you see the aspiration for margins over the next 2–3 years?

Management: Currently, we are between 25% and 30%. In the next 2 years, we should target at least around 35% EBITDA margin or possibly more.

Deepak Poddar – Sapphire Capital Partners: Understood. In terms of growth, we have said 60–70% this year. Is that the CAGR we are looking at for the next 2–3 years?

Management: Yes, you can say that we are targeting a 60–70% year-on-year CAGR for the next 2–3 years.

Deepak Poddar – Sapphire Capital Partners: That effectively means an 850–900 crore top line by FY29, right?

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Management: I have not done the calculation, but tentatively, yes, you are right. Next year should be around 850–900 crore.

Deepak Poddar – Sapphire Capital Partners: This is specifically about the domestic TSP business. Its share will reduce, but will the business itself also grow?

Management: Absolutely.

Management: The domestic TSP business will see higher growth. Accordingly, you should expect the domestic TSP share to decline.

Deepak Poddar – Sapphire Capital Partners: Yes. That would be all from my side. I wish you all the best. Thank you.

Management: Okay. Thank you.

Operator: Thank you. The next question is from the line of Abhishek Cajal, Individual Investor. Please go ahead.

Abhishek Cajal – Individual Investor: Thank you for taking my question. My question is on the P&L statement. In the consolidated statement, under the head “Changes in inventories of finished goods, work in progress, and stock-in-trade,” there is a significant increase from {? 217 odd crores ?} compared with 2 crores in the last quarter. If you could provide some color on that, it would be very helpful.

Management: Ashish, would you take that up?

Ashish Aggarwal – Joint Managing Director: Abhishek, we are undertaking multiple kinds of projects, including turnkey projects. There can therefore be hardware materials that form part of our delivery. Those materials are covered under this item. It is basically the nature of the business: when we include hardware, it is covered under this head. That is the reason.

Abhishek Cajal – Individual Investor: So this is essentially the hardware that we are supplying to banks and for other offline payments?

Ashish Aggarwal – Joint Managing Director: If we take up a project worth about 5 crore or so, it requires complete end-to-end hardware, software, and services. The accounting changes based on milestones. At a particular milestone, there may be early realization of certain components. When it comes to the software and service milestones, the revenue is spread out. That is how it works.

Abhishek Cajal – Individual Investor: All right. Understood. Thank you. That was all.

Operator: Thank you. The next follow-up question is from the line of Nishant Joshi from Equisense Advisors. Please go ahead.

Nishant Joshi – Equisense Advisors: You have already partially answered my question. It relates to the inorganic growth that the company anticipates. I want to understand whether we are considering acquisitions because of the market expansion we are seeing, or whether we also see certain product segments where we want to add products to our portfolio.

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Management: There are many interlinked decisions here. When the company was going through its transformation, and approximately 2 years ago when there was a decline in revenue, we took many corrective actions. We then realized that the best way forward was to de-risk and diversify. There was a particular quarter when I spoke to investors specifically about these two points.

It is critical for the company to undertake forward and backward integration when the time is right. We also want to consider complementary products that are closely related to our domain, where the customers and accounts are the same, but demand for product variety exists. That has been our experience over the years.

That is why we are trying to invest in these areas. For example, payments will always have some associated risk. We are selling a payment platform, but we are not selling {? Protec ?}; we are not selling anything that is required to secure the payment. That gives us access to a complementary product for the same customer to whom we are selling.

That is how we have made decisions around diversification and de-risking. Of course, when you enter these areas, each has its own channel, growth segment, and projections. Therefore, the projections also multiply.

Nishant Joshi – Equisense Advisors: Thank you.

Operator: Thank you. The next follow-up question is from the line of Sampat Nayak from G0 Capital Advisors. Please go ahead.

Sampat Nayak – G0 Capital Advisors: I did some calculations on MDR. If 5% of customers have to pay MDR, that comes to approximately {? 17,92,800 crores ?}. If we charge a 0.25 MDR fee on that transaction value, the amount comes to approximately {? 89,640 to 90,000 crores ?}. Since you said we could be a direct beneficiary of this, what quantum can we consider as being added to profit?

Management: First of all, I clearly said that unless a mandate is issued, I can only provide my personal experience. I cannot quote something that is not yet on paper. Secondly, that is not how MDR adds up to these numbers.

Whatever the MDR is, it has an acquiring component, an interchange component, and switching fees. It is further split. The beneficiaries can include those who have acquired a user, such as PSP applications, and those who have acquired merchants. That is where our bank plays a critical role.

If we have provided the acquiring platform and the QR code generated over the POS is on a POS that the bank has given directly to the merchant, the bank receives direct interchange income. However, if the bank has provided it through a payment aggregator, the payment aggregator also shares a portion of the revenue.

There are many layers in between that have to be calculated. I do not think that information is instantly available to anyone right now. Therefore, let me not quote any number at this stage. What I can definitely say is that, as a participant in this ecosystem, we will receive some direct revenue from it.

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Sampat Nayak – GO Capital Advisors: Thank you so much, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni – Family Office: In your results, other expenses amounted to almost 19.7 crores compared with almost 2 crores in the same quarter last year. What is this additional expense of almost 17 crores this quarter?

Management: Ashish, this is a grouping issue. The team has included the purchase cost in these expenses. That is the 17 crore amount. Other expenses are only 2 crores.

Ashish Soni – Family Office: Our growth in this quarter was almost 70%, but employee expenses have not increased. Is this because of our software and service platform, or because the fee was higher? What caused this? Proportionally, employee expenses did not increase at all; they increased by hardly 10–20%, as I understand.

Management: There are multiple reasons. First, we are in a business where employee cost is not necessarily directly proportional to revenue. Second, the adoption of AI is very important. We are undertaking multiple activities and developments with the help of AI.

Deepak has already covered this point: as an organization, we have adopted AI. That is why employee costs will not increase in proportion to revenue. We are trying our best to create an AI-driven organization. Policies are being written. Once those policies are written, we will assess their impact on AI security and on the tools being used.

We do not want to make a random decision. We have decided that the organization will shift towards AI-based policies and processes. That is already under way. Whatever benefit we have received is now visible. In fact, our investor presentation clearly states that we want to improve our efficiency. The target of approximately 30% is still in place. That is the target. You will start seeing those kinds of effects.

Ashish Soni – Family Office: Regarding your guidance of 60–70% CAGR for the next 2–3 years, does that include inorganic growth, or will inorganic growth be additional?

Management: It is not inorganic.

Ashish Soni – Family Office: With the advent of methods, there were RBI guidelines for banks to assess security threats related to them. What is our stance on securing our platform against such attacks, and are we receiving additional opportunities because of the RBI stance that came at the end of June, if I recall correctly?

Management: We have not launched an AI product to an extent where there will be an impact. For now, whatever RBI guidelines have been issued around AI attacks will pave the way for investment in AI-based security. As technology advances, the security layer also changes. These are areas that we are also looking at.

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There will be certain policy guidelines released by banks regarding how they intend to evaluate this, what software changes are expected, and what they expect from vendors. Those implementations will take place over a period of time.

Ashish Soni – Family Office: Regarding inorganic acquisitions, which acquisition could come faster? I think you are pursuing 2–3 opportunities, based on what you have been telling us. If you make an acquisition, will its EBITDA margin be the same as our business, or will it be lower? I am asking because overseas acquisitions typically come with lower margins unless they involve a well-established product.

Management: That is not a focus criterion right now. In terms of priority, we are looking at the geographical access and immediate access that we can obtain, new products that are missing from our stack and that we want to build, and the growth trajectory that the particular organization is currently delivering.

It is too early to share that specific information. However, that is the direction in which we are currently moving.

Ashish Soni – Family Office: Can we expect something in Q2 or Q3? Can we expect any acquisition?

Management: Q2 is early. I do not think so, but we will come back on this.

Ashish Soni – Family Office: Thank you, and all the best for the future.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ketan Pathak, Individual Investor. Please go ahead.

Ketan Pathak – Individual Investor: Hi, good afternoon. Am I audible?

Management: Yes, Ketan.

Operator: Yes, sir.

Ketan Pathak – Individual Investor: My question is about the guidance you gave last quarter of approximately 70% year-on-year growth in the top line. On a quarter-on-quarter basis, we are down 10% in the top line this quarter. Do we still stand by that guidance? That would mean we need to achieve approximately 270–280 crore in the next 3 quarters, which is a run rate of about 90 crore. Do we have visibility, and are we on track to achieve that?

Management: I addressed this in the very first question. The annual guidance has not changed and remains the same. It is simply a matter of when we execute the project, when implementation is due, and when the milestone is triggered. These are the reasons why, when the nature of the business changes, we had already anticipated this situation.

In the last quarter's call itself, we clarified that investors should not expect sequential triggers. This growth will definitely come, and you should look at the yearly numbers.

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Ketan Pathak – Individual Investor: As a follow-up, in this quarter I think we were at a 17–18% margin at the PAT level. Would that improve to approximately 20% by the end of this year?

Management: Yes, there will be an improvement because margins improve when milestone-based revenue comes in. In addition, our share of global revenue is increasing. That is why we are very confident about those numbers.

Ketan Pathak – Individual Investor: Thank you.

Operator: Thank you. A reminder to all participants: you may press star and one to ask a question. As there are no further questions, I now hand the conference over to management for closing comments.

Management: I think there is nothing much more to add. You should definitely start evaluating the company in the manner I described during today's call. There is a lot of traction, a lot of growth opportunity, and a lot of available triggers. We are also closely monitoring how the payments industry will evolve. I believe there is a lot for us to work on, including the AI-based strategy, on which we are being very aggressive. Provangi, you can take it forward from here.

Provangi Jain – Valorom Advisors: Thank you very much. On behalf of Valorom Advisors and Network People Services Technologies Ltd., that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.

Management: Thank you, everyone.

Management: Thank you, sir.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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