

**Date: December 21, 2017**

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National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor; Plot No. C/1  
G Block, Bandra Kurla Complex, Bandra (East),  
Mumbai – 400051

Dear Sir/Madam,

**Sub: Transcript of Investors' Conference Call – Q2 FY 2017-18 Results.**

Please find enclosed the transcript of Investors' Conference Call organized on December 13, 2017 post declaration of Financial Results for the quarter and half year ended September 30, 2017.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Intense Technologies Limited**

  
**K. Tejaswi**  
Company Secretary & Compliance Officer

Encl: as above



## Intense Technologies Limited

### Q2 and H1 FY'18 Earnings Conference Call Transcript

December 13, 2017

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**Moderator** Good Day, Ladies and Gentlemen, and Welcome to the Intense Technologies Limited Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. 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 '\*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Shikha Kshirsagar from CDR India. Thank you and over to you.

**Shikha Kshirsagar** Thank you, Margret. Good afternoon, everyone. And thank you for joining us on Intense Technologies Q2 and H1 FY18 Results Conference Call. We have with us Mr. CK Shastri – Founder and Managing Director of the company; Mr. Jayant Dwarkanath – CEO and Mr. HM Nayak – Head of Finance and Administration.

We will begin the call with brief opening remarks from the management, following which we will have the forum open for an interactive question-and-answer session. Before we begin, I would like to point out that some statements made in this call may be forward-looking and a disclaimer to this effect has been included in the earnings announcement shared with you earlier. I would now like to invite Mr. Shastri to make his opening remarks. Over to you, sir.

**CK Shastri** Good afternoon, Ladies and Gentlemen. Thank you very much for joining us on this call, really appreciate it. I think most of you know what we do as a company. We are an enterprise software products company based out of India, having customers with recent addition over 45 countries across four continents. We are leaders in telecom and insurance in India. And we are foraying into the international market as well. And of course, as we go along you make whatever questions you have on what we do, what it is, I am open to take it up.

To start, the first half of FY18 has definitely I would not say it has been a great, we had a lot of challenging times. And that is the nature of our enterprise business where whether it is implementation delays, when we are talking about large deals, large managed services deals, large services deals, it is part and parcel of this particular nature of our business. But we are definitely working towards seeing that we get over this particular thing and move forward and scale up.

I want to keep my discussion brief because I personally believe that most of the information regarding the company is available to you all. If you have any specific questions I will be open to take it up.

The good side of the thing is that we have been continuously been innovating on our technology front to see that being an enterprise products company we are ahead of the technology curve. We are doing a pretty decent job of cross selling



and upselling to our existing customers base because that is our low hanging fruit. And with the NXT platform, we are seeing a good traction and currently we are going with lot of system integrators and partners, and especially the traction is coming in the international market more than what we see in the domestic market, that is very heartening.

With that, I will open the floor for Q&A.

**Moderator**

Thank you very much. We will now begin with the question-and-answer session. We have the first question from the line of Mitesh Shah from Prabhudas Liladhar. Please go ahead.

**Mitesh Shah**

It has been exciting to know about emerging technology that Intense is coming up with and the overall exposure in lot of countries that you are having. What are the key technologies which you are looking forward to with the current ones and what are the challenges that you are going to face? And if you can throw some numbers and the orders coming forward?

**CK Shastri**

See, the thing is that typically we are an enterprise software product, which means that we solve mission critical problems of large enterprises. For example, some of our large customers if their application stops for about half an hour their business stops. So the good side of the thing is that we become really core to their business, so there is long-term relationship, long-term annuity revenues which we can see from them. The downside is, long selling cycles, long evaluation cycles and process driven and CAPEX approvals and so on and so forth what we come across. And as you are seeing that the whole world is moving away from the services side to enterprise, the product side, and we believe we are well positioned to seize the opportunity which is coming up. Our next platform actually comes in actually with a lot of robotic process automachine, the BPM, low base platform which it can configure and we can deploy any large scale implementation using micro-services and a whole lot of things. Mr. Shah, I would sincerely suggest that whenever you are traveling to Hyderabad if you could come by, we will take you through a detailed deep-down understanding of the platform, because it is very, very innovative and we will look forward to people like you to give your critical inputs and valuable feedback.

**Mitesh Shah**

Sure, sir. At the same time, what market share you would like to put for this robotics vertical?

**CK Shastri**

See, at this point in time it covers what I am saying is that in the financial reconciliation side we are pretty strong. The whole point is, the big challenge which we have is the size and the bandwidth to capture for the marketing point of it. So, overall, at this stage I am not in a position to give a market size but definitely we would want to...

**Mitesh Shah**

No, I am saying market share in robotics, what do you see the market share?

**CK Shastri**

Robotics market share, we definitely want to be leaders in that space, but in robotics many, many domains what we are. We are currently focusing on automated testing, we are currently focusing on financial reconciliation, we are focusing on bot based chat systems. So, in these domains we would want to be leaders.

**Mitesh Shah**

Sir, would it not be interesting to enter the electric vehicles, which also would be a part of robotics?

- CK Shastri** Sir, the scope is immense, I can tell you the IoT itself is going to be so phenomenal that with our platform which can address these markets, definitely there is no doubt about it, there are many, many opportunities which can come in. We are trying to talk to one of our customers who is a telecom large customer in the M2M space, mobile-to-mobile, where you are talking about, they service a lot of IoT related solutions for the automobile industry.
- Moderator** Thank you. We have the next question from the line of Aejas Lakhani from Money Minds. Please go ahead.
- Aejas Lakhani** Sir, I always recognize the challenge of the enterprise business, so I will take cognizance of that and my complete empathy with long selling cycle. So, having said that, a couple of questions. One is the fact that I read the press note as well which stated that you mentioned about the scheduled timelines for the managed service, so that has already started I presume, so if you could throw some color on that and address the elephant in the room which is essentially the receivables, because I am sure a part of it would be a component of the managed services deals. So, if you could first give me clarity about these two and then probably I will ask you further questions.
- CK Shastri** It is a well said question, you all know that these managed services is a six year long contract and it is a firm contract it is with a public sector unit. So, from the risk perspective I personally believe it is very, very minimal because of the contract, the nature of the agreement which we have. On the commencement of this thing, as far as we are concerned there is, as you all know, we have phase one and phase two, phase one has customer on-boarding, there is migration, services and scanning. Out of three line items scanning we definitely see as a risk because today with Aadhar coming in and everything, we are in a digital, it could impact us, it will be to the tune of Rs. 2.5 crore. But we will definitely make it up in the migration of the Aadhar related data, we hope to do that Now, the thing is that we have been doing through definitely a standoff and problem with this particular contract as far as phase one was concerned, the whole idea was that phase one should be completed and then only we will start phase two. Phase one had delays primarily because of Supreme Court order where Aadhar linking and re-verification. So, what we have done as a strategic move, we have told them we do not mind linking the Aadhar part of it in a free of cost so that we can get on-boarding revenues from the deals so that they could come afterwards. They are forming a committee to consider our proposal and we are hopeful that we will be able to resolve that soon. I am pretty confident that that thing will be resolved. In the meanwhile, looking at the way things have gone, they have already given us the go-ahead for Phase two, phase two comprises of bill presentment, interactive bill delivery, communication, campaign management, coupons, loyalty where there is a revenue sharing model and we see the bare minimum revenues from that is slated to be around Rs. 40 crore to Rs. 50 crore in over about next five years. And the upside could be about Rs. 250 crore. And we hope to go live by end of January, at least part of this particular thing. Already we have completed the mobile line of thing for our interactive bill and other ones. The loyalty is also in the way and also landline is what they have given us the go ahead this week that could be a pretty large chunk of revenue. So, coming from the perspective, we feel that in a nutshell we are very confident that we will bounce back.
- Aejas Lakhani** Yes, but just want to check that. You mentioned in the press note that the acceleration in the managed service contract, so the implementation from our side has been complete for phase one already?
- CK Shastri** Yes, phase one we have completed because what has happened is that this Aadhar linking was not part of the contract, it came in between after the contract got signed. Until and unless that is completed, which is due to be completed in

	February, but what we have done is that we have made one more thing that we will also do the re-verification on linking of that which they have formed a committee to consider.
<b>Aejas Lakhani</b>	And sir the receivables would be largely on account of the, I am sure a component would be from managed services contract, is that correct?
<b>CK Shastri</b>	Yes, a part of it is that, yes. But majority we have already received it, part of it is definitely that.
<b>Aejas Lakhani</b>	And sir, if Mr. Nayak could just expand a little on what is the percentage make up from the receivables which is accounted from the large managed deal and from the others, is there a possibility to get some color around that?
<b>CK Shastri</b>	I would like to tell you that more than 60% - 70% we have collected out of the balance 30%, maybe I cannot exactly give you a breakup probably 20% - 25% of the balance receivable would be from the managed thing.
<b>HM Nayak</b>	We have collected most of the other things, except this thing. It is close to about 25%.
<b>Aejas Lakhani</b>	Okay. So, from the current receivable how much would still be pending, or what is the portion that is still to come in from the managed service contract?
<b>HM Nayak</b>	It is a small portion, because most of it there is no problem in collection as such, except what we just specified about the BSNL being outstanding.
<b>Aejas Lakhani</b>	Okay. So sir, that was my first sort of query. Sir, my second point was, I really wanted to check with you that do you feel that because of the delay, because of the nature of the enterprise which is public in nature, have we lost out or has that time elapsed of the Aadhar linking, the entire 2017 which was a very hot area for Aadhar linking, do you feel that space is out or is it still available?
<b>CK Shastri</b>	See, the Aadhar linking itself was not part of the contract for us, right. So, being a public sector body they go by the tender terms as it was. Since this is not part of the line they want to complete that and then only do the rest of the things is the way how we got into this delay. But we are hopeful that we will overcome this, any which way even if not from the way we have been engaging them they will come around is my belief. We have put forth another compelling value proposition to see that and consider it, saying that we will provide entire value proposition to the point of sale things like recharge and other things like which are there in the single app, so that we can also provide this Aadhar linking free of cost. We are hoping that they are forming committee to consider it, because being a public sector they are quite bureaucratic and nobody..... the problem with these guys is not taking the dish is the best dish, and so for everything they want to put a committee.
<b>Jayant Dwarkanath</b>	And just to add to that, what Shastri has said, the opportunity itself has not gone away, because even if the Aadhar linking is done by them, the records that have been linked still need to be migrated to our infrastructure. So, the number of records continue to grow for the migration activity.
<b>Aejas Lakhani</b>	Jayant sir thank you, that actually answers my query. And my query actually to just further that, is that opportunity still existing on the private side as well or it is just on the public side where the migration is still there?

- CK Shastri**      Actually if you really look at it, now it is all done as far as the telecom sector is concerned, but the other sectors, the Aadhar linking and all we definitely have lot of opportunities.
- Aejas Lakhani**      So, what I understand is on the telecom sector on the private side the linking has more or less been completed?
- CK Shastri**      More or less has been completed, but they are on the process where they all come in with change request for us with our existing customers, we see that as revenue to add this as a part of that, because they were already using it as a platform.
- Aejas Lakhani**      Right. And sir, what portion of the business or rather what product specific business, so will that be on-boarding that is sort of gaining traction or is it the identity management or are we looking at NHP is selling as a composite, how is it working out?
- CK Shastri**      The thing is that majority, the big problem we have is getting and adding, on-boarding a new customer. If you really see from our acquired analytics and engage in customer experience side. See, the majority falls under digital engagement, most of our revenue. There are recent 23 countries, one has also been for B2B analytics. The point is, the good side of it is once we make an entry into any large enterprise customer, cross selling and up-selling of the other solutions becomes that much there. Like for example, we had one large insurance company, we had a digital engagement platform, after that we are looking at selling campaign and identity management, we are at advance stage of talks with them for closing that. Similarly, the 23 countries bid deal which we have gone in and there is a huge opportunity in the coming quarters for our other solutions, it is actually as good as a Greenfield operator with such a large presence and they found us to be very, very valuable and agile partner to work with.
- Aejas Lakhani**      Sir, I think you answered my query. So, what is happening, if I understand, the cross selling and up-selling is continuing with the existing accounts which is keeping the business growing today?
- CK Shastri**      Yes.
- Aejas Lakhani**      Okay. And sir on the system integrator side, how are we seeing traction, I mean is that building out for the LXE platform specifically, because this could help in rapid deployment?
- CK Shastri**      I would say that we are quite excited because you know that we have a very poor sales arm and reach as far as that is concerned, and the system integrators are playing a very critical role in helping us fill the gap that we have with the reach. And we are quite excited, because there was one large system integrator where we had almost 84 people on the call from the global, that is the third, fourth round of the meeting and they are taking us to about already three to four prospects, we are working with them. Similarly, traction with the system integrator is pretty large, in Europe, America, Australia and New Zealand and we hope that some of these opportunities come in in this financial year. In fact, this is a first FY that we are actually stocking numbers with the integrators.
- Aejas Lakhani**      And sir one last thing, are we going to be going with multiple partners like AWS, Google, Microsoft or have we narrowed in on the channel partner for the electricity deployment?





- CK Shastri** What we said earlier is that, it is a very good question. What we are bringing in, you know the cloud is such a thing that we have to make a lot of upfront investment in sales and marketing to reach a breakeven point. But what we have observed with our engagement with these people, these people not only provide their infrastructure but they also do the marketing and business development for us. Currently we are tied up with Oracle, with IBM and AWS. And all of them, what we have done is that we are trying to, IBM was very very keen on our interactive output part of it and they found a very niche in the publishing industry for interactive things. And they are really, really going very aggressive and they are bringing us a lot of prospects and meetings for us. And similarly, the AWS and the Oracle guys are taking us and we had a GTM, even Azure had a joint meeting where we were supposed to be present with whole lot of client, so on and so forth. So, that is on track as of now.
- Aejas Lakhani** Okay. And sir, you mentioned specifically a while back that it is AWS and IBM whom we have selected for the cloud based platform. Do they have a restriction?
- CK Shastri** There is no restriction.
- Aejas Lakhani** And they do not have something like a territorial marking that okay...
- CK Shastri** In fact, they are pushing us to go to the Europe and US because that is where the potential is very high. But for reasons of bandwidth and other things, because in enterprise business we cannot go wrong in the first time because it is very critical. So, we are very conscious about our reputation so we are taking careful steps. We want to be successful in India before we replicate this. However, I would like to tell you that we are at a very advance stage with one of the global large satellite company on cloud. Even in cloud there is a technology curve which is going on, there is something called mesosphere, what happens is cloud moves to the next level where our technology is already ported into, that is called the... suppose today you are on AWS and you feel that you have got stuck to them you cannot move to the next guy, because you already have implemented and done a lot of things. With this new technology what happens is you can just automatically switch over from IBM to AWS, AWS to anyone. We have already quoted that and because of that technology advantage we are sure that we are almost at the contractual discussion with a large satellite player in Europe.
- Moderator** Thank you. We have the next question from the line of Anand Ramaswamy from Mescon Securities. Please go ahead.
- Anand Ramaswamy** My question is, your press release states that you have clients in 35 countries I would like to know what is the current work position in hand
- CK Shastri** Mr. Ramaswamy, it is a good question. See, the point is that the managed services contract is itself about close to Rs. 150 crore and our other contracts and things like that will give you illusionary picture. The order book is good but from your predictability on the quarter it may not give you the right perspective and the right picture. The good thing with our business is that the challenge is adding a new logo, but once we add a new logo, new contract, cross-selling and up-selling becomes very, very easy. Today if you really look at it, the predictable part of it is Rs. 30 crore to Rs. 40 crore is from our existing customers.
- Anand Ramaswamy** The point is, from an investor point of view, since you cannot give any prediction but at least have an idea like from different continents for the...

- CK Shastri** See, the typical thing is I am definitely not in a position to give you, because the nature of our business is such that we are not in a predictable stage. But if you really look at the traction...
- Anand Ramaswamy** No, assume the current scenario in hand, how much order book position you would have, because companies do announce that we have orders worth this much for next quarter or next financial year. I have never heard any order book position or number of contracts, you have in hand, so that we can as an investor one can give financial estimation.
- CK Shastri** As far as contracts are concerned, we have a 21 country agreement with a large multi-country operator in Europe. We have a very large managed services contract almost worth about Rs. 150 crore, we have a very large contract with customer in about 15 countries, we have a large contract with a very large government account where we do a revenue of almost Rs. 6 crore to Rs. 7 crore per annum, we have large contracts with Fortune500 companies. So, there are many, many contracts which are there and all this I think add to quarterly revenue, it is an ongoing score from all of these. From rollout perspective, we have about four large strategic accounts, and large accounts we have close to ten plus accounts.
- Jayant Dwarkanath** And as we mentioned earlier, for the first time in this FY we are talking on a contracting stage from our alliance relationships with large operators in the Asia PAC, outside Asia PAC and also in Europe.
- Anand Ramaswamy** Okay. What about India, how many clients you have in India?
- CK Shastri** In India we have about at the moment 10 to 15. In fact, it will be fair to state that almost every telecom bill that gets produced in India has imprint from our solutions. And we are market leaders in the life insurance segment too, because all the policies that come out of the insurance companies have imprints from our application.
- Anand Ramaswamy** Okay. Apart from telecom you said insurance?
- CK Shastri** Insurance, and now we forayed into banks too. One of the largest private sector banks in India, the communications that go out, the business to customer communication that go out from that bank is from our platform.
- Anand Ramaswamy** Okay. At this point I saw that the half yearly results that you have announced continue to be disappointing.
- CK Shastri** The point if that, as I said the nature of our business is such that some of these implementation delays also impact our revenues and we are working on it to improve that.
- Anand Ramaswamy** Okay, that means there is a delay in utilization as well?
- CK Shastri** Yes.
- Moderator** Thank you. We have the next question from the line of VP Rajesh from Banyan Capital Advisors. Please go ahead.
- VP Rajesh** I am new to understanding the company, so some of his may be repetitive for you. First, just trying to understand how come the receivable is such a high number? And I know you were addressing it earlier on the call, but I missed some of that explanation, so if you do not mind repeating that.



- CK Shastri** See, most of the receivables from what is shown as on September has been collected.
- Jayant Dwarkanath** Just to kind of give you a brief before Shastri takes over, Rajesh, at least in our business for us personally the normal receivables cycle itself goes to about 120 to 150 days, which we are trying hard to compress with every new contract. So, what you see is an outstanding and in September a majority of that is within our system now.
- CK Shastri** And also to give you a perspective, just to add to what Jayant said, a large contract which we have in 21 countries, the payment terms on submission of invoices is 120 days and they are so large and such large brands that we cannot negotiate, because if we ask them even though with a company like Oracle where we do a business of more than \$1 billion a year, our terms are the same. These are some of the challenges which we are facing. Of course, nevertheless, apart from that we are having some contentious issues with two of our accounts on the receivables on the balance what has not been collected.
- VP Rajesh** I see. But is there a potential that there may be a cut to the receivable you finally realize out of what is outstanding on September 30th?
- CK Shastri** If you see our track record for last three, four years, we have been continuously, our DSO has been like this for so long. But as far as our collections are concerned, most of the times we have been able to collect that. Of course, as I said, we are having a couple of issues with couple of our clients, apart from that everything else is pretty good, otherwise we would not have lasted for so long.
- VP Rajesh** Right. And my second question which has two parts, one, how much for financial year 2017 you did for around Rs. 70 crore of revenue, how much of that is coming from India versus the US market or the rest of the world. And secondly, can you just comment why there is a revenue decline in the first half between last year and this year? Thanks.
- CK Shastri** It is about 60% is from India and 40% is from the international market. I do not know whether you are aware or not, we just started foraying into the international markets just recently, because in our business itself the selling cycles are about anywhere between one year to 18 months, nine months to 18 months for order to fructify from the start to end, being the mission critical nature of our solutions. So, we started investing in Europe, we have one sales person in Europe, we have one sales person in the US, we have a couple in the Middle East and Africa, we have one person in APAC. With this kind of very, very small team we are able to make a significant penetration primarily because of the compelling value what we are sending to our customers. Now, of course, we could have done better had we had the larger bandwidth. Today if we had more sales people our pipeline would be much, much better. We also have a part of it where we are going through large system integrators like the IBMs, the Infosys, the TCS, the Tech Mahindras of the world, we would have several successful implementation with most of them in lot of engagement and there is a trust factor. And we are also seeing some good traction for our new platform. Rajesh, I would suggest, as you are new to our company whenever you are visiting Hyderabad if you could come and spend some time, we can take you through a deep dive of what we do and what is that we solve for our customers, and you can have a better understanding.
- Moderator** Thank you. Our next question is from the line of Shyam Boppidi he is an individual investor. Please go ahead.
- Shyam Boppidi** My specific questions are like, have you added any new clients in this quarter?

- CK Shastri** No, we have not added new clients to this thing, but we are at the advance stage of discussions with a few customers. Once the process is complete, there is realization to buy, then comes the pilot, BOC, then the contractual agreement. We are in discussion with a couple of them on the contractual stage.
- Shyam Boppidi** Okay. And other thing I want to know is, as you see the initiative from the Telangana government, they have set up a hub wherein a lot of startups are coming in in product development space, so how do you see that competition building up, especially from product development companies?
- CK Shastri** See, competition is reality of life, I welcome competition. But most of our competition comes from the United States. In the space which we are we do compete with large players, deep pocketed players. We have won against competing against them in several of our engagements, we are also in the magic quadrant. And as such as a company you know that we are not a great brand as such for enterprise business, normally enterprise business you need deep pocket, a lot of branding and reach is required. Despite that being we are able to gain traction and achieve what we have achieved so far, you can take that we are leaders in telecom, leaders in insurance in India, we have a 21 country agreement in large Europe. Being a non-entity we have customers in the US, we have customers in Carrabin and South America. So this speaks about our technology, investments in R&D and the technology curve which we have.
- Shyam Boppidi** My last question is on the revenue visibility, if you see the last one year, it is almost a bumpy ride every quarter.
- CK Shastri** One more thing which I missed answering, as far as new client is concerned we did add a new client, which we already made a press release, which is a large telecom player in the Central America.
- Shyam Boppidi** Okay. On this revenue visibility, if you see the last one year it has been almost a bumpy ride, there has been no consistency on quarter-on-quarter or year-on-year, so how do you see from here on, how do you see the next one or two years?
- CK Shastri** See, the challenge which I find with my business is the long selling cycle and unpredictability, we believe that hopefully by next financial year from our existing customers we will be able to take care of our expenses and go forward. We have to make large investments into sales and marketing for which we are already looking at some strategic investors who can help us scale this business, not only in terms of money but their reach and their thing. We are in discussions, let us see how it pans out. I do understand, but then whatever investments we have made we are seeing some good traction coming.
- Shyam Boppidi** Okay. My last one is on the recent disclosures you made on pledging of your shares, from an investor point of view it is a bit of concern but the reason could be a valid one. So, just wondering...
- CK Shastri** We have taken some bank limit for which we have pledged our share, it shows actually our commitment towards the organization.
- Moderator** Thank you. Our next question is from the line of Amit Vohra from PCS Securities. Please go ahead.
- Amit Vohra** One question is regarding, sorry if I am repeating my question because I joined the call a bit late, what is going on at the subsidiary end in terms of the losses there that we would have?

- CK Shastri** As I mentioned several times, Amit, the point is that it has been all investment that we are putting, primarily America started seeing revenues, Middle East and Africa have also started seeing revenues. As far as Europe is concerned, there what happens is that we only book the expenses and the revenues come directly because the agreement is directly with the parent company, for large client. However, we are hopeful of adding new logos locally there.
- Amit Vohra** No, but has the losses reduced there or they continue to be similar what they were?
- CK Shastri** They have reduced.
- Amit Vohra** And the other question is, one of our top clients which is a multi-national company where we have signed up a contract to scale up the business over 23 countries, how is that progressing, not the recent one but the earlier one.
- CK Shastri** The progress is there, we are hopeful of some more business in this financial year from them. The point is that because of this challenge which we had to make big investment into our managed services contract, and which got delayed, it has put us in constraint in terms of making investments in scaling up that business there. However, we hope to get over this and make some investments too, because culturally in Europe you need a German in Germany, you need a Spaniard in Spain, you need an Italian in Italy. So, the point is that we have only one sales guy in Europe and these enterprise product sales guys, one is that they cost a lot and our selling cycles are long. So, we were hopeful that we would claw back the investments in the revenues coming from the managed services thing, but due to some statutory issues they got delayed. But having said that, in terms of opportunity itself, yes going forward in our immediate sales funnel also there is likely to be accretion from this contract for this year.
- Amit Vohra** Okay. You just mentioned something on the pledge shares, I did not follow that, can you just elaborate there?
- CK Shastri** We have taken some bank limit.
- Amit Vohra** I mean, we already have something like Rs. 13 crore cash as on our balance sheet.
- CK Shastri** We have to give guarantees, bank guarantees are there, margins are there, quite a few things are there.
- Amit Vohra** So, this is over and above that?
- CK Shastri** Yes, we pledged the shares.
- Moderator** Thank you. We have the next question from the line of Anirban Dutta from Jet Age Securities. Please go ahead.
- Anirban Dutta** Just to ask you a bit on this strategy partnership that you are looking for, so earlier you have more or less indicated by the end of this calendar which is 2017 we should be able to think something, but now we are closer to the time, it does not look like happening. So, can you elaborate a bit on what exactly, I think earlier you had said that you are looking for a market access, not really a strategic investor of sorts and so on.

- CK Shastri** Yes, the primary reason is the market access but then they have to see some value in the larger picture, that is why we say strategic this thing. We are in talks and have given mandate to few people and these things do not happen that fast, because there is a lot of process which is involved in it. But we are definitely on with that.
- Anirban Dutta** And would it be possible to elaborate what exactly would a partner be looking for?
- CK Shastri** See, typically if you take for example a large services company, whichever it is, everybody is looking at tying up or looking at finding new enterprise products to add to their portfolio to see that people get delivery and their profitability because the world is moving away from services to technology products, with AI, IoT all these things coming, everybody is relooking at their approach. Because the services game of wage hedging is not going to run for too long. So, we will be a potential partner for such people. At this stage what we are doing is we are doing as alliance partnership where there is no real skin in the game from both the sides where it is only opportunity based. When you are talking about strategic, what we are trying to look at is that we provide them the technology platform which is very innovative in nature, they provide us the reach and the fuel to scale the operations.
- Anirban Dutta** But would we want or have some amount of a timeline by when you would really be able to sort of analyze this?
- CK Shastri** These things we wish it happens faster, but it could happen anytime. But at the moment I am not in a stage to say anything more elaborate on that, but we are definitely pushing for it.
- Moderator** Thank you. Our next question is from the line of Mughal Sahul from Finvest Technologies. Please go ahead.
- Mughal Sahul** NSE announcement shows on 30/11/2017 your shares are pledged can I know for what purpose?
- CK Shastri** I just answered, Shahul, already that we have taken some bank limits for which we have done it.
- Moderator** Thank you. Our next question is from the line of Tushar Aggarwal, he is an individual investor. Please go ahead.
- Tushar Aggarwal** Actually you had signed a contract with BSNL for Rs. 150 crore worth, by when will you start realizing that revenue, sir?
- CK Shastri** See, first of all I do not want to take names of any of our customers because we have confidentiality agreement which is there. See, the point is that, already I said I think you did not join the call, we said that one of our large enterprise customer we had some problems in phase one and phase two, I gave a very detailed answer. But just for your sake, it has got two parts, phase one is customer onboarding and data migration and scanning. Phase two has got interactive bill deliveries, communication, management, loyalty coupons. So the phase one was supposed to be completed and then we were supposed to start phase two, these are all transaction based orders.
- Moderator** Thank you. Our next question is from the line of Mitesh Shah from Prabhudas Liladhar. Please go ahead.

- Mitesh Shah** Sir, I just want to know where do you see Intense in 2020? And the second one is, with so much sweetener coming to Intense and with so many large European orders, why is it that the promoters are not increasing their own stake? Or are you looking for any strategic investor going forward?
- CK Shastri** From the stake perspective, we really look at it like we had 6 lakhs, now I have 19 lakhs, I have been continuously adding and I have given my best time of life to this company. And I am very confident about what it is. We come from middle class families, first generation entrepreneurs, so we do not have the necessary thing, but whatever we could we are doing to increase our stake. But if you really look at it, between the directors, promotes and employees, we already have close to about 35% plus holdings. And as far as your question on strategic investor is concerned, we have already given a mandate and we are in the process. We definitely would want to see that we are aligned to our strategic investors so that it will help us scale this business.
- Mitesh Shah** Sorry sir, can you tell me again where do you see Intense in 2020?
- CK Shastri** Internally we have put a target, we get to the right investments and we do the things. We have targeted to 2022 about \$100 million, it is a very ambitious target but it is subject to right strategic investor and right investments coming in, it is all about scaling what it is. The proof is that our technology is accepted, it is mission critical, it is used by Fortune500 companies, and we are leaders. It is all about the whole market for this kind of business is very, very massive in Europe and US where we are not present significantly to leverage our technology capabilities.
- Mitesh Shah** And last question sir, when would investors look for the exciting times going ahead?
- CK Shastri** I would say I am also one of the big investors and I am also looking at, I am pretty hopeful to see that this thing happens. But the nature of our business has been that last year we got one large contract which itself will give us a big push and pivot us and take us to the next level, but unfortunately we faced some challenges. But we are hopeful of getting over it and putting the company back on track.
- Jayant Dwarkanath** And just to add to what Shastri was saying, Mitesh, as I stated earlier this is the first financial year where we actually are seeing numbers traction from our alliance partnership. So, to probably build on Shastri's response to your question on where we see ourselves in 2020, yes we certainly are excited because with our alliance partnerships and their reach, by 2020 we will see more and more of our overseas participation in our revenue. And by that token, our realization from overseas has always been over the last three, four years that we have participated in those markets, has always been much higher than what we have managed to do in India.
- CK Shastri** That is the revenue realization in terms of license fees and other things, it is much higher in Europe and US.
- Moderator** Thank you. Ladies and Gentlemen, that was the last question. I now hand the conference over to the management for closing comments.
- CK Shastri** Thank you, gentlemen. I really appreciate your time and taking time to participate in this call. And let me assure you we are working and striving hard to see that we progress and put this company in a growth mode and in a better perspective as we go along.

**Jayant Dwarkanath** And if you are to travel to Hyderabad, please feel free and visit us, get to know us and our solutions much better, it will also probably give you a deeper perspective into what we are doing. Thanks.

**Moderator** Thank you. On behalf of Intense Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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*This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.*

