

17th March, 2017  
Ref.: ITL/BSE/ 2016-17

To  
The Manager,  
Listing Department  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400001.

Dear Sir,

**Sub: Submission of Transcript of Conference Call with Investors and Analysts**  
**Ref:** Our letter No. ITL/BSE/ 2016-17 dated 3<sup>rd</sup> March, 2017; BSE Scrip code: 532326.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the transcript of Conference Call with Investors and Analysts held on Thursday, March 9, 2017, on recent financial performance, strategy and outlook of the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Intense Technologies Limited**

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



Encl: As above



## Intense Technologies Limited

### Conference Call Transcript

### March 09, 2017

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**Moderator**

Ladies and gentlemen, good day and welcome to Intense Technologies Limited call to discuss recent results, business strategy and outlook. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '\*' followed by '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, Zaid. Good morning, everyone. And thank you for joining us on Intense Technologies Q3 and 9M FY17 results conference call. We have with us Mr. C. K. Shastri – Founder and Managing Director of the company, Mr. Jayant Dwarkanath – CEO and Mr. H.M. Nayak – Head of Finance & Administration.

On behalf of the management team of the company, we would like to extend a very warm welcome to all of you at the company's maiden conference call. 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 maybe 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. C. K. Shastri to make his opening remarks.

**C. K. Shastri:**

Good morning, everybody. Thank you all for participating in this call, we appreciate it. I do not know how many of you all know about our Company. Just to give you all a brief, let me tell you all that we are enterprise software Products Company based out of Hyderabad. Our products have been tried, tested and trusted by Fortune 500 companies. We have customer wins across 35 countries. We are at the customer lifecycle management space right from customer acquisitions to customer analytics, customer engagement and the customer experience is what we provide to all our customers. We are leaders in insurance and telecom in India. We are also foraying into the banking vertical.

Coming to the numbers, we had a pretty good year so far. We have done revenue of Rs. 53.76 crore with an EBITDA of Rs. 18.74 crore and a PAT of Rs. 11.12 crore. One of the good things which are happening for us is that our whole model has been in a way where in the last one and one and a half years, we are able to directly engage with our large customers. Most of our engagements in the past had been through either system integrators or partners. Large customers, very big

names have been engaging with us directly, that is very heartening, that helps us improve our bottom-line and it helps us also do a lot of cross selling and up selling to our clients because of our direct engagements with them.

As such, we will be pleased to take all the questions what you all have while we go across. Except that, I cannot share customer specific contracts since we have NDAs with our customers. Now, Jayant would like to say something.

**Jayant Dwarkanath:** Just to add to what Mr. Shastri said about the breadth of our solutions, probably in some remote way, Intense Technologies already impacts your personal life by way of communications that you receive at home from your telecom service provider or from the income tax department. So, in a way, we are already connected and we are happy to have you with us today.

**C. K. Shastri** One important point which we also want to mention, we are pleased to tell you all that our UniServe product has come into the Gartner Magic Quadrant in the niche category, which is a great boost to our credibility and it will really help us penetrate the European and US market with this accolade. This is very credible; I am sure all of you know getting recognition in to Gartner Magic Quadrant is very significant. They have a very rigorous process to get recognized in the Magic Quadrant.

With this, I pass the floor for question-and-answers.

**Moderator** Ladies and Gentlemen, we will now begin with the question-and-answer session. Our first question is from the line of Rishikesh Kale from Intrinsic Equity.

**Rishikesh Kale** On the receivables front, on March 31, 2016, receivables constituted almost 60% of sales. What is the root cause for such high level of receivables? Secondly, can the management share any pipeline numbers?

**C. K. Shastri** Yes, we are having significant debtors in our books, primarily because, all our customers are large marquee customers and their payment terms itself are very high. Most of them are anywhere between 90 to 120 days upon submission of invoices. We are working with them to improve our debtors but some of them have come back to us saying that there are clients where we do more than a billion dollars of revenue; with them also we have the same terms. So, we are making our efforts to improve our debtors, but this is the current problem and the only way what we could do is that we are building those costs into our pricing models. We are working to see if we could get them discounted to improve our cash flows. On the pipeline, I could only say it is extremely healthy, we are quite happy with the way it is progressing. I am not in a position to give you a number. You all are aware that we already have a significant order book on hand.

**Moderator** Our next question is from the line of Vineet Bolinjkar from Ventura Securities.

**Vineet Bolinjkar:** You have mentioned the receivables number to be 120 days, but I was doing some calculation back of the envelope, it is going ahead of 200 days this year, how do we account for that?

**C. K. Shastri:** With a couple of our customers, we had some problems, especially in Nigeria and in the African continent. The Nigerian market has been affected, because of that the number looks like that. But from 80% - 85% of our customers, we are able to get the money within 120 to 150 days.

**Vineet Bolinjkar:** The number is even higher in the current year as we speak, so are we facing any issues with clients in this year too?

- C. K. Shastri:** No. We are facing some problems in the Nigerian and African market. Apart from that, with all our customers we are pretty good, they are all marquee Blue Chip customers and we do not have any problems.
- Vineet Bolinjar:** Is it safe to assume that we will collapse that number to 120-150 days, going forward?
- Jayant Dwarkanath:** Yes, we are working towards it.
- Vineet Bolinjar:** There is a data deadline by the European Union, can you throw some color on that, and how is it progressing, what is the opportunity size?
- C. K. Shastri:** Typically, this is a very big opportunity that is called the GDPR. The regulation which has come into place in Europe and the deadline for that is around 25th of May, 2018, it's by this date these people have to comply with this. As per Gartner and as per others, they believe that because of the timeline, only 50% could comply, but it throws a huge opportunity. The opportunity could be anywhere between 800 million to 1.2 billion as the market size. And though we do this part of it in our current platform, we are comprehensively including it into our UniServe NXT platform to address this big opportunity.
- Moderator:** Our next question is from the line of Aejas Lakhani from Money Mind Finance.
- Aejas Lakhani:** In your annual report, you break up the revenue from sale of products and sale of services. The sale of services portion has been continuously increasing, can you just throw some color for previous accounts who have probably taken the UniServe platform, what percentage of that is still an AMC or an annuity sort of an income?
- C. K. Shastri:** Typically we are looking at a 55% - 60% on the services side and 40% to 45% to be licenses. And our business, the way it is modeled is that we have something called the hunting and the farming. The biggest challenge in enterprise business is that the selling cycle was pretty long and because nature of our product is mission critical, the due diligence is pretty long and add into that, we are not as a bigger brand as we are. So that is why you will see that the license revenues do not figure in this. You will also see a big bump or big spike in our revenues in some quarter primarily because that quarter would have got license revenue coming. We are not a pure play services company like any system integrator, our services rate, the margins are much higher. Typically you must have seen services of SAP or services of Oracle financials, they are all premium services. Similarly, like being a product company, our services are higher and our margins are also pretty good.
- Jayant Dwarkanath:** Just to flag the specific thought that all our services revolve around our product solutions.
- Aejas Lakhani:** So customers who have bought from you even four years back, their service income is still on?
- C. K. Shastri:** Absolutely.
- Aejas Lakhani:** Do you have some sort of a number for that?
- Jayant Dwarkanath:** Yes, typically it would be around 25% to 30% per annum, it all depends. In some places a little higher also depending on if we are handling the operations support. In some countries, in a lot of places earlier we were not handling the operations support, operations support was handled by system integrators. So there the

revenues will be less, services account for annual maintenance, they account for professional services such as CR and operation support.

**Aejas Lakhani:** Does that include the product upgrades or something that is not a part of that service income?

**Jayant Dwarkanath:** AMC includes product upgrades, which are minor upgrade. For major upgrades we charge them.

**Moderator:** Our next question is from the line of Amit Vora from PCS Securities.

**Amit Vora:** Can you just break down the revenue for Q3 into how much you got from Jio and Vodafone and BSNL?

**C. K. Shastri:** As we mentioned, we cannot share any customer specific details.

**Amit Vora:** We have done exceptionally well in terms of our operating margins in this quarter. Are we expected to continue this kind of a run-rate going forward?

**Jayant Dwarkanath:** We are working towards that, there are initial capex and depreciation costs which will be coming in because of the large managed services deals which we have. But definitely we will be able to continue the operating leverage.

**Amit Vora:** What was the capex that we have done for the BSNL order?

**Jayant Dwarkanath:** We had an additional capex of about Rs. 7.6 crore.

**Amit Vora:** The depreciation during this quarter has been high, how are we going to write out the asset over what period of time?

**C. K. Shastri:** So we typically follow the written-down value method, being a software company, it would take about three years.

**Amit Vora:** How is the Jio deal structured? Is it a lump-sum or it is some customer base, can you give some color on that?

**C. K. Shastri:** We will not be able to give any customer specific details.

**Amit Vora:** Has there been a contribution from BSNL order in Q3 or has it not kick started?

**C. K. Shastri:** I am sorry, we will not be able to give you any customer specific details. All I can tell you is that we are able to generate revenue from all our existing customers and we are executing all our orders and we are on track.

**Amit Vora:** Any progress on your outside subsidiaries, Europe, US that you have been working on?

**C. K. Shastri:** Yes, we are building significant pipeline, we are seeing very good traction there.

**Amit Vora:** Any guidance that you want to give for the next year?

**C. K. Shastri:** As a policy, I can only tell you that we are pretty optimistic, we do not want to give any guidance.

- Moderator:** Our next question is from the line of Rajendra Shah from Fidelity Investments.
- Rajendra Shah:** The tax level has gone up in this quarter, what is it due to and how do you see the taxation level in the following years?
- C. K. Shastri:** We can only improve, the only way we can work on our taxation is by moving into an SEZ as our revenues from international market keep increasing and we have plans to do that in the coming years to get a better tax planning. As such, we have provided as per the tax regulatory, whatever regulatory requirements are there.
- Moderator:** Our next question is from the line of Pratik Rathi from Choice Securities.
- Pratik Rathi:** If the company is getting orders and the order pipeline is full, then why are the promoter holdings down? Are there any plans to increase the promoter holdings?
- C. K. Shastri:** Tikam Sujana and myself from the promoter category have been here for the last 18 years and the only thing that I am doing is increasing my stake from the time I founded this company till date. And if you really look at it, from employees, directors and promoters put together, we are around 35.4% as a holding.
- Pratik Rathi:** Are there any more plans to increase the stake?
- C. K. Shastri:** Definitely, that is the intent. But I need to get the money.
- Moderator:** Our next question is from the line of Nipun Gupta from Kotak Securities. Please proceed.
- Nipun Gupta:** We understand that the employee cost is relatively higher as a proportion to revenue; can you throw some light on that? And secondly, you mentioned that now the business model is changing more from System Integrators to direct sales. So could you just elaborate a bit more on that as to how many projects have you been able to win on a direct basis and how does this help your business in terms of revenues and margins?
- C. K. Shastri:** On the employee cost, if you look at it for the kind of enterprise solutions which we do I don't think we are high because we have to invest in R&D and we have to be thought leaders. We are launching a very disruptive platform in the coming quarter. So our entire organization is divided between the R&D, forward development and sustenance engineering and the projects and support where they constitute majority of our things where the other support functions like consulting, presales consulting and sales are in smaller numbers. Going forward if you really look at it operating leverage because being a private company, the application is not as proportionate to the employee cost what it is so that is as far as the employee related is concerned. Second question, we have had significantly large customers who are signed up directly with us. One of the large European customer for 21 countries has directly signed up with us. The agreement holds for 21 countries. And a very large incumbent operator in India also has signed directly with us. We are doing a significant amount of business. We are at the heart of their core business activity. There is another large six years' deal which we had signed that is also a direct deal. And going forward, even we are working with large system integrators; the good part of it is that we are able to now stand up on a very good footing. Earlier what used to happen is we used to be behind the system integrator and they used to drive the sale, they used to do everything and no transparency on pricing. It was just that they used to do purchase from us. Now with the system integrators, we are asking them to directly put us in front of the customers. We are able to convince the end customer to place the license order directly on us.



- Jayant Dwarkanath:** What we are also seeing in the market now-a-days is that the growing trend amongst the customer community itself to speak to the original principle vendor directly and depend on the SIs for project management. Probably, this has been from their experience over the last 10-15 years, this has happened in India and overseas.
- Nipun Gupta:** How many employees are there in the company currently? Secondly what is the competition for us in terms of names of companies in both international market and in India?
- C. K. Shastri:** We are about 432 employees and as far as the competition is concerned in some spaces, we have competition. For example, in our customer on-boarding or our customer acquisition space, we have companies like OpenText Kofax, on the customer communication side, we have companies like Pitney Bowes and HP Exstream, and these are our competitors. On the B2B CorpCare side, we have one competitor that is Oracle. But at least when we go and visit the market, there is not one single company that has a comprehensive platform of solutions the way we do.
- Nipun Gupta:** Any Indian companies, say something like Subex?
- Jayant Dwarkanath:** No, Subex is in the revenue assurance space.
- Nipun Gupta:** What is the total annuity revenue, just percentage of revenues for the company as of now?
- C. K. Shastri:** From this year onwards, we should be able to earn our bread and butter from our existing customers from our annuity revenues.
- Moderator:** Next question is from the line of Anirban Dutta from Jet Age Securities.
- Anirban Dutta:** Can you let us know what were the license revenues in Q3?
- C. K. Shastri:** I do not have that number right now; it is around the same range of around 45%-55%. 55% of services and 45% for license.
- Anirban Dutta:** For FY18, what would be our major expenditure changes in terms of R&D and marketing?
- C. K. Shastri:** Our significant expense today which we would want to invest is in sales and marketing. Just because of our compelling nature of our product, we were able to get whatever we are getting as business, currently we have one sales guy for Europe and we have US also, we would want to increase our sales presence, increase our brand value across geographies. Majority of it would go in to the sales and marketing. As we look at the R&D side of it, we are looking at launching our new platform, UniServe NXT in the coming quarter.
- Anirban Dutta:** Is it possible to give an indicative number?
- C. K. Shastri:** Yes, we are looking at \$1-2 million.
- Anirban Dutta:** Can we expect to come to the dividend list this year?
- C. K. Shastri:** Myself being one of the largest shareholders, we would love to give dividend, but today we need money to grow our business because the potential is significant and currently the cash is required for growth.

- Moderator:** Next question is from line of Rohan Shah from Aloha Advisors.
- Rohan Shah:** Historically our revenues were not consistent, they were not steadily increasing. Over the next 4 to 6 quarters, can we assume an increasing trend on a sequential basis?
- C. K. Shastri:** That was our biggest problem in the past and the change is that at least there would be surge and dip but it definitely would not be like what it was in the past because we are now consistently able to get our revenues from our existing customers on a quarter-on-quarter basis in a much better situation. Any new license or any new customer, which typically will add in to the top line, bottom line and earlier he was not contributing to the annuity revenues. So, we are definitely in a much better position than what we were in the past.
- Jayant Dwarkanath:** Going forward for new customer acquisition, the services are also paid for, so it should not kind of impact our costing.
- Rohan Shah:** On a 9MFY17 basis, we have done revenue for about Rs. 53 crore. Do you think, as we add another Rs. 27 crore of revenues in this coming quarter and then next year, could we do about 50% to 60% growth in FY18?
- C. K. Shastri:** I will avoid giving you any forward looking numbers but definitely we are optimistic about growth.
- Moderator:** Thank you. Next question is from the line of Jatin K from GS Investments.
- Jatin K:** Our past has been quite volatile and this year has been kind of an inflection point, what has been the cause of change, is it because we got direct access to customers and we won a lot of orders or there is something more to it?
- C. K. Shastri:** Revenues from our existing customers have improved significantly and the impact of being direct is that it is not only helping us in terms of our margins, direct engagement helps us to even up-sell, cross-sell our other solutions to the same customers and increase our ability to do the farming better with our existing customers.
- Jatin K:** How difficult or easy is to win or lose clients, do clients easily switch to other vendors when they find cheaper cost, do they switch or do they tend to stick?
- C. K. Shastri:** This being the heart of their business, it is difficult but nevertheless in the past 10-15 years we have never had such a situation where such thing has happened. The only thing is that if we badly mess it up that is when it can happen, otherwise there is no reason. Buying itself has been a most difficult decision until and unless they would see a compelling value they wouldn't have gone with us. And from the size of company what we are to bet their money, it is a definitely mission critical application and the kind of responsibility they are putting on us is pretty significant and typically any buying cycle, every time whether it is Gartner or whether it is a new customer acquisition, there is always a reference check, which happens.
- Jayant Dwarkanath:** On the flip side it becomes difficult later to probably look at options that is why the entire life cycle of purchase is also extended because they really have to grill all the vendors in this base.
- C. K. Shastri:** They not only grill you on technology, they grill you on process, they grill you on your delivery model, and they will have to get customer references. So imagine the



business impact it has. They do billions of Dollars of revenues and if our system stops, what could be the impact. It could be huge.

**Jayant Dwarkanath:** To give you an analogy, it is like a cardiac surgery. If it is life-threatening, then you need to go through that surgery but then we are yet to see that, all is well.

**Jatin K:** Would it be possible to share the current order book?

**C. K. Shastri:** It is not that I don't want to share it. But there is a 5-6 year deal, so it will not give you a fair picture of it, that is the only reason why I am not able to share but it is pretty good.

**Moderator:** Thank you. Next question is from the line of Manju Bhashini from Sundaram Mutual Fund

**Manju Bhashini:** What does our software do? What is the functional aspect of this? How does it help the clients there? What would be the mix of our clientele here in terms of US based and India based?

**C. K. Shastri:** Our platform takes care of, one is your digital customer onboarding, the customer analytics aspect of it and the customer billing and metering accuracy aspect of it. Then we have the digital communication like your EBBP, your e-bills all of that and the B2B analytics at a high level. We are in the four quadrants of Acquire, Analyze, Engage and Experience; this is the customer life cycle. We are also adding to it the digital identity and customer life cycle both together to take care of the GDPR as the opportunity is huge in this. Now coming to the segment, vertical wise we are very large, we have about close to 80% market share in the Indian telecoms. We are leaders in insurance and as far as revenue split is concerned we have customers in over 35 countries, predominantly we started just getting into the US and Europe market couple of years back. We had a significant success in Europe wherein we signed with a very large operator for a 21-country pricing agreement where they have signed up and they have done a lot of due diligence on all our solutions and is applicable for their 21 operating countries. This financial year we had a first break through in the United States and we also have customer in South America. I would recommend that whenever you get a chance to visit us, please do.

**Manju Bhashini:** Is UniServe our own product?

**C. K. Shastri:** Absolutely, it is completely our own IP. We have filed patent. It has got several accolades from different bodies like Forrester, Gartner, IBM, and NASSCOM amongst others for technology and innovation.

**Manju Bhashini:** What would be the competing products here, if a clientele has to decide to choose UniServe, what are the other names that he would consider alongside?

**C. K. Shastri:** We have a very comprehensive platform right from end-to-end but if you look at it from the customer acquisition part of it, on the onboarding we have competing products like Kofax and OpenText and on the billing and metering accuracy, we are the only one which is there in the industry and of the customer communications and customer digital engagement part of it, we have companies like Doc1 and HP Exstream, StreamServe as are our competitors and on the CorpCare that is our B2B experience, we have Oracle as our competitor.

- Manju Bhashini:** What are the general deal sizes like? When we talk about large deals, what would be the size be like, it will be about a million dollar kind of a deal spread over 3-5 years?
- C. K. Shastri:** Pricing is also dependent on geography and typically India you do not get really paid well for the licenses but whereas in Europe and US, the next best is Middle East Africa after that is Europe and the highest you get paid is in the US towards license. But just to give you a perspective since you have asked me on this deal value. Deal value also depends on the size of the organization as the size of customers they hold. Last year, we had got a deal which was \$1 million in license and about 500,000 in services.
- Manju Bhashini:** And is this a short term order cycle?
- C. K. Shastri:** No, it will not be short term as these are mission critical applications. Customers are going to be there for life. He will start contributing towards the AMC, there is the 15% AMC which we earn and in Europe we have also signed a very good agreement where they also pay as they grow. If they have added let's say 20 million subscribers to their line, they pay 10 cents to that 20 million, which is additionally towards license and on top of that we also get paid to the extent 15% towards the AMC. Apart from that, the revenue contribution comes in the form of operations support and professional services.
- Manju Bhashini:** What would be the R&D spend that we have done so far and how is it accounted for? Is it amortized totally or do we have anything capitalized there in the balance sheet?
- C. K. Shastri:** We have not capitalized. As the best accounting process, we are not capitalizing our product cost, so whatever you see in Software Company, the biggest cost is people cost and that is what we are putting.
- Jayant Dwarkanath:** On pricing, as the new market penetration strategy, we will need to pay the price card.
- Manju Bhashini:** So, is the R&D totally expensed out? It is all there in the P&L already, is that what you are suggesting?
- C. K. Shastri:** Yes.
- Manju Bhashini:** Cumulatively till date, how much would we have spent there? It will be clubbed under your general and admin?
- C. K. Shastri:** Yes, it will come under our employee cost.
- Manju Bhashini:** What would that number be?
- C. K. Shastri:** Typically, if you really look at it, 80% of our cost is employee cost in our annual expenses.
- Manju Bhashini:** Within employee cost, how much would be your R&D spend?
- C. K. Shastri:** R&D is about 20%. This is in the last 2-3 months because we have invested a lot in our new platform which is coming up. And just to give you a perspective, we are very niche because we are being successful and we have marquee blue-chip customers, Fortune 500 customers primarily because of our focus on innovation and technology. If you really look at it, we have to understand the PDF

technologies, we have to understand the QR code technologies, we have to understand the entire data part of it, and output part of it. Our success of acquiring these companies is large customers primarily been because of our innovation and in some cases, we have replaced Gartner Magic Quadrant competitors. You can imagine if we are able to convince the customer to replace, it shows our innovation and it shows our credibility in the market.

**Moderator:** Thank you. Next question is from the line of Pritam Deuskar from Bonanza PMS.

**Pritam Deuskar:** In this quarter, the company has posted more tax, so if you can elaborate why tax was higher in this quarter? Secondly, are there plans for NSE listing?

**C. K. Shastri:** On revenue of Rs. 53 crore, as per the regulatory listings, it would amount to 30%, which we have to pay plus surcharge, that is what we made a provision for on the tax part of it. You may ask why it was not done earlier in the last quarter. The point is that we had expected significant depreciation in terms of hardware which did not happen and it has got phased out and on the NSE listing, we have filed for the NSE listing and it is under process.

**Pritam Deuskar:** Which industry has more margins - telecom or banking? Are there plans to increase the banking customers significantly in the pipeline?

**C. K. Shastri:** Due to lack of bandwidth, we had not gone across to various verticals. We had started off on the telecom vertical because of significant referenceability. Enterprise business requires good referenceability, we could make major breakthroughs in to telecom and that is how we enjoy more than 70% to 80% market share in the telecoms in India. And then we started off the on the insurance part of it and there also we are leaders and as far as Banking is concerned, we just started getting into Banking and we have got one of the largest banks in Middle East and Africa is our customer now. Also, one of the India's largest private bank and it was top profitable bank in that we could break in. As far as the profitability is concerned at the moment, both these deals were done on a penetrating price strategy but the market size of BFSI is much larger than telecom and our whole strategy is to see that we successfully implement them in India and replicate this success overseas because the cost of sale in international market is very high.

**Jayant Dwarkanath:** You will see a significant number of clients in the telecom region is probably because the focus was around telecom and we have the references but what we would like to have you appreciate is that this solution is not industry specific, it is industry agnostic and every enterprise requires a solution over in this space and so it is now for us to kind of work with our stakeholders also and see if we can get door openings and get as many customer meetings as possible.

**Moderator:** The next question is from the line of Utsav Shrivastav, who is an individual investor.

**Utsav Shrivastav:** Is there a plan to move to top 4-5 auditors soon?

**C. K. Shastri:** We have no problems with that but in any way if you have found any flaws or any mistakes in our auditing, please raise it to me but definitely we are open to it.

**Utsav Shrivastav:** What is UniServe NXT all about how is it going to be a game changer for the company?

**C. K. Shastri:** The IT industry itself is going through a big change. I am sure all of you are aware what is happening to the IT industry. The whole world of services and the people

base 'tell me what to do and I will develop it for you' is no more going to be the story going forward, especially with the disruption which technology is creating in various industries. So, people are looking at agility, speed, auto machine, so that is about it. So, this particular platform can deliver very agile delivery of a large enterprise scale application. It has incorporation of robotic process auto machine like for example, once you build an application it can do automated robotic testing also. So, it has got robotic processing in the business rules aspect of it and a lot of AI built into it. Just to give you some perspective even before we launched this, we had participated in 2 of the competitions which were there and the platform has been awarded as the future emerging IT technology platform by none other than ICMG who is the architecture company and we started already socializing with our existing customers and we are very pleased with the kind of response that we are getting.

- Moderator:** Next question is from Ashok Agrawal, individual investor.
- Ashok Agrawal:** In 9MFY17, sales is at Rs. 53.76 crore, so is this for the standalone operation or it includes subsidiaries also?
- C. K. Shastri:** It is for standalone operations; it does not include the subsidiaries. It will come in the final one.
- Ashok Agrawal:** If the subsidiaries are excluded, is it excluding the business of say 21-country customer in Europe and may be one larger customer in USA?
- C. K. Shastri:** The 21-country deal has been directly signed, it is a large procurement company of a large operator, who does procurement for all their 21 countries and agreement has been signed directly with the parent company. So, all revenues accruing from this directly will be figuring in the standalone revenues whereas the other operating countries like Middle East and United States, you have to have the arm's length model of doing the revenue recognition. So the cost of Europe will have to get added on to the consolidated numbers.
- Ashok Agrawal:** The revenue from USA and Africa will be shown in the consolidated results as those are subsidiaries revenue, is this correct?
- C. K. Shastri:** Revenue and expenses. For Europe, it will only be expenses.
- Ashok Agrawal:** What is the order of magnitude for this subsidiaries business, say annually?
- Jayant Dwarkanath:** This is actually a nascent baby which we have started. We only have one sales guy in the US, we have got a maiden order in the US and as far as Europe is concerned, we have a delivery head, we have a pre-sales head and we have one sales person, we have added one more person. So, that is the man power which is there, overall if you really look at Middle East and Africa, we are looking at \$2 million kind of a revenue.
- Moderator:** The next question is from the line of Pratik Surana, individual investor.
- Pratik Surana:** Do you see Salesforce as one of the biggest competitors?
- C. K. Shastri:** Salesforce provides boutique solutions from the cloud and they are focused on CRM and we are not in the CRM space, we are in the periphery of as far as CRM is concerned. On the customer communications part of it, most of our implementation we are integrated with the CRM. So, Salesforce is more of a data provided to us rather than a competition.

- Pratik Surana:** Would you be tapping any of the line of business particularly you are more of customer facing role wherein everything starting from the customer acquisition to analysis and till the billing process, everything has been taken care by UniServe. So are we planning any other product to tap any other line of business?
- C. K. Shastri:** As a constant, investment into innovations and increase in the breadth and depth of our solutions, we are increasing our customer communications into the extension as part of our mobile advertisement because that become a natural extension and similarly there are alerts notification or the communications part, we are investing into growing it into a major alert notification in other domains like disaster recovery and disaster management and other areas.
- Jayant Dwarkanath:** While you see a solution stack full of customer facing solutions, it is not that the platform does not perform core back end activities also but you will also appreciate that from our client perspective most of their budgets and most of their spent at this point in time are also focused around their own customers and so you see that solutions are kind of tailored around what the market requires at this point in time. We are investing in the new platform and we are increasing the breadth and depth of our core engines.
- Pratik Surana:** You will be looking after the disaster management or disaster recovery; can we expect more products coming in near future?
- C. K. Shastri:** We want to be focused and scale our team, increase the depth and breadth and keep innovating on what we have because this itself is quite a bit in on our plate. Just to correct, we are not talking about disaster recovery. There is natural disaster's alert notification that is what we are talking about, it is only now that we are being recognized in the space and we want to take advantage of that rather than dilute that messaging that we are trying to build over the last many years. Just to give you a perspective in one of our engagements, we are doing one of the world's largest in terms of volume of communications in a day; they are about 15 to 20 million communications a day, which are going up.
- Moderator:** Next question is from the line of Alpesh Patel, individual investor.
- Alpesh Patel:** If you have to compare UniServe NXT and UniServe from our license fee perspective as well as product implementation time at client location, how do you compare both these platforms, so that it gives an idea on license and time to implement the client?
- C. K. Shastri:** We will be collapsing at least by 50% on the implementation time lines and efforts in terms of building a lot of integration point and services part of it. Most often what happens is lot of efforts is gone into the services side, building UIs and all of that. This particular platform even takes care of rapid UI development and porting on all devices and all systems. There will be a significant drop in that and also you can plug into any of the existing systems quicker and this has got micro services. So whatever you have as a component we can wrap it up and plug into it.
- Alpesh Patel:** From a UniServe NXT point of view, do you see any global competitor?
- C. K. Shastri:** Competition is the reality, would really appreciate if competition is there because that creates market but to best of our knowledge at this point in time, we do not see that and the other part of it is, this is the platform which can help in lot of things but we have some very powerful core engines like identity management engine, business rules engine, the data processing, we have a filed a patent for our process data management, where we connect to multiple data virtualizations and

connecting it to multiple data sources picking up data and normalizing the data to the target systems.

**Jayant Dwarkanath:** We always prefer competition being around because then we can ride on their marketing spend also to create awareness about our product space because we are so confident about what we have built. So, competition is always good in the industry, so that customers are also aware about what is available next. But at this point in time, the radical nature of how the platform has been built and what it seeks to do, there are very few references to the breadth solutions that Uniserve NXT can handle.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

**C. K. Shastri:** Thank you ladies and gentlemen for your time, it was enriching. I always say that there is nothing like learning from you people because you see many businesses and all your critical inputs would only help us enhance and deliver better. Thank you very much for all your time and really appreciate it.

**Jayant Dwarkanath:** We also mentioned that our solutions are vertical agnostic and so if you believe that you see business opportunity for us, please share it with us. As stakeholders, we would love your comments on opportunities where we can probably present ourselves to and see if we can bring that home. Thank you so much for your time.

**Moderator:** Thank you, sir. Ladies and gentlemen on behalf of Intense Technologies Limited that concludes today's conference call. Thank you all for joining us and you may now disconnect your lines.

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