

9 October 2017

**The Manager,  
Listing Department  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400001.  
Scrip Code: 532326**

**The Manager,  
Listing Department  
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  
Symbol: INTENTECH**

Dear Sir/Madam,

**Sub: Submission of Transcript of Conference Call with Investors and Analysts**

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 Friday, September 22, 2017.

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**

### **Q1 FY'18 Earnings Conference Call Transcript**

### **September 22, 2017**

---

**Moderator** Ladies and Gentlemen, Good Day and Welcome to the Intense Technologies Limited Q1 FY18 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 telephone. 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** Thanks Inba. Good afternoon, everyone. And thank you for joining us on Intense Technologies Q1 FY18 Results Conference Call. We have with us Mr. C. K. 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 Q&A 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.

**C. K. Shastri** Thank you, Shikha. Good afternoon, Ladies and Gentlemen. Thank you very much for joining the earnings call. You all know that Intense Technology is an enterprise software product company and enterprise businesses as such has a long gestation period in terms of orders and revenues coming in and implementation timelines. I am sure that the earnings in Q1FY18, are not up to the expectation of all of you. But however, as I have stated earlier in our earnings call you should not look at us on a q-o-q basis but look at us from a y-o-y basis.

You all know that we have some of the Fortune500 customers using our platform and we have our products tried, tested and trusted by large enterprises, both in telecom, insurance and banking vertical. We also have customers in about 35 countries spread across four continents and we are making decent progress both on technology innovation and new customer acquisitions as we go along. As you must have noticed we are looking at going to the market through farming on the strategic accounts by cross-selling and up-selling, also increasing our reach by penetrating into new geographies. And also looking at the new things, the digital services where we are talking about leveraging existing relationships on a revenue sharing model on the mobile campaigns.

We also have launched our cloud initiative in India to put a couple of our products from the cloud and we are seeing some good traction for that. Also, our alliance

partner program which is very significant and we are seeing amazing traction coming in because as you all know that the IT services industry is under a lot of stress, the model of wage hedging is being accepted by the market and customers and people are looking at agile delivery and new technologies like robotic process auto machine. Towards that we have also launched our UniServe NXT and the traction that we are getting with the system integrators have been very, very encouraging and looking very promising to us. On the Q&A session, I would request all the participants not to ask the specific names of the customers and the deal size of any particular customer as we have confidentiality agreements signed with all of these. I will not be able to share that with you all.

This is in a summary what I would like to say and I leave the floor open to the Q&A session.

**Moderator**

We have the first question from the line of Pratik Surana, an individual investor.

**Pratik Surana**

I have gone through the product that Intense Technology offers and I have seen that recently there has been an announcement that UniServe has added new features such as RPS and some chatbot features which are very new in industry right now. So, will this help in acquiring new set of clients from different sector and are you planning to have anything which will help you to grow into the sectors which are not yet been tapped by UniServe?

**C. K. Shastri**

It is a very good question. If you really look at it the whole world is moving towards automation. Definitely, this platform will help us to enter into other verticals like health, retail, and government sectors, especially IoT could be a big sector where this could go in. So, in terms of opportunities for the NXT platform this is very, very good. The way we are looking at the NXT model how do we address various other solutions like we have already bagged one customer service delivery order which actually was not the domain which we were operating in. So, what we are trying to tell is that the coverage will be very good and the ways we are looking at taking this to the market is first of all evangelize this with our existing engagements and customers. And thereafter also look at engaging system integrators, we have seen very, very good response coming from large system integrators with the new platform because of the various functionalities, not only bots but new things like quick API based integrations, data virtualization and bots with testing and micro services based module integration. These are the futuristic ones and fortunately my team had that kind of a vision to, we always have been a company where we have put in our money in investing and being ahead of the curve in technology innovation.

**Jayant Dwarkanath**

Just to add to Mr. Shastri, we are talking to our own sets of customers where we are strong in. What is very heartening to see is the interest that the system integrator community is taking in our platform. While in the past our engagements with system integrators were only restricted to opportunity-based, over the last few months, we have noticed a complete shift in their engagement with us and we are now into training programs within the system integrator community so that all the domain verticals that are present within them they understand what the solution platform is and are able to take it forward. So, yes, to answer your question, going forward we ourselves are also excited about looking beyond the telecoms and the financial sectors that we have so far serviced with UniServe.

**Pratik Surana**

Which all sectors are you seeing the potential for growth? I am just asking about names of the sector that you are trying to push a bit with the NXT platform.

**C. K. Shastri**

One of the things which are cutting across verticals is the customer experience and customer journeys. Most of our traction has always been coming from the telecom

vertical but we are getting introduced to the new domains in the same vertical also, like for example we are talking about run time on demand price creation solutions, on demand service support systems. We are talking about the B2B analytics which is coming as an operation. Why people like this kind of a platform is that you are managing maintenance and your operating cost and your change request, all these things would come down drastically for end customers and they really become agile.

**Pratik Surana**

You are tapping new markets by having even small offices with one or two people in different parts of the world, like recently you started in the US. So, are we seeing any traction in the newer markets?

**C. K. Shastri**

Yes, we are seeing some fantastic traction. The point is that we are working on quite a few opportunities globally but we are very close to an opportunity where it could strategically open up 23 countries for us and we hopefully should be announcing that very soon.

**Moderator**

Our next question is from the line of Aejas Lakhani from Money Mind Financial Consultants.

**Aejas Lakhani**

I always understand the challenge that you guys face in terms of building products and the long payoff cycles. Having fully understood that portion and the empathy to relate to it with your pain, will the stagnant build outs that did not take place in Q1 FY18 result into an improved Q2 FY18 performance because it would be a little lumpier in nature? That is my first question.

Second, would you see the system integrators business interest translating into actual revenues in this year or next year onwards?

And third is the standoff on payments for the implementation services on the managed service agreement. Do you see that happening, at least the payoff being coming in this year or the year after that?

**C. K. Shastri**

Q1 FY18 to Q2 FY18 definitely there will be an improvement that is what I can tell you, there is going to be an improvement.

The second question which you had asked is the system integrator's aspect of it. At the moment, we are seeing that there is a significant traction coming; it is just not that we are working together in the go-to-market or presentations and all of that. Some of the opportunities have turned into RFPs and we have responded to RFPs, the only problem which we have with the system integrators is that we do not have a direct control on it but we are hoping that we will be seeing some decent revenues in this financial year.

**Jayant Dwarkanath**

Amongst the system integrator community itself, they themselves are facing a lot of pressure on their revenues in terms of the wage hedging arbitrage model that they earlier used to operate in. And so they are very, very keen to kind of put across a complete solution to their offering and take it forward to the market. And we have a very robust kind of pipeline being built up which we are excited about. But again, we do not have a direct kind of connect with the end customer yet and so we will depend on the push of the system integrator to kind of conclude the deal. But I can tell you that they themselves, as in the SIs themselves are very bullish about kind of converting the opportunities into real numbers in this financial year.

**Aejas Lakhani**

What about the standoff payment for the implementation services on the managed service deals?

- C. K. Shastri** On the revenues, we are working on it; typically the Supreme Court judgment also says that by February, the Aadhar linking needs to get completed and we are hoping that the migration revenue and other revenues would come in Q4 hopefully.
- Aejas Lakhani** Okay. So, standoff payments for the services rendered you are expecting in Q4 FY18?
- Jayant Dwarkanath** We are hoping so. And as we move forward with our engagements we ourselves are learning as we move to negotiate a direct deal with a large government-type of an organization. And today we feel the pain that the system integrator used to feel and used to communicate to us when we were dealing directly with them. Do not get too concerned about the first quarter lumpiness because as I said there were certain delays in our regular purchase orders which came in the following quarters.
- Moderator** Our next question is from the line of MSS Murthy, an individual investor.
- MSS Murthy** In your performance review for Q1 FY18, you have mentioned that annuity revenue was impacted due to this change over to GST, any improvement in that?
- C. K. Shastri** Yes, sir. What has had happened is that a lot of our customers are, very large multi-billion dollar customers and they are all driven by processes and systems and most of their payments, purchase orders are done through ARC systems like SAP and so on and so forth. So, they were very busy making changes into their core systems in Q1 FY18. And as Mr. Jayant said, those orders definitely will be coming into this quarter and that is no more a problem now.
- Moderator** Our next question is from the line of Rishikesh Kale, an individual investor.
- Rishikesh Kale** What is the status of the strategic sale that you had mentioned in the last concall?
- C. K. Shastri** We believe that we have excellent technology platform and excellent product, the whole thing is that we are to scale our operations we definitely need a strategic partner who has a global reach. We started dialog with few of them and you know that these things take time but it is progressing. And we believe it is in the mutual interest of both the parties that it will be a good marriage.
- Rishikesh Kale** What would be the approximate time frame that you are looking at?
- C. K. Shastri** I would want to make it happen as fast as possible looking at the frustrations which you are going through because there are so much of opportunities which are there with such a small sales mode you know that how many people we have in Europe, in US and one in Middle East, Africa. And with this kind of thing we are able to crack business in the international markets where we are not a known brand at all speaks volumes about our volume. We are hoping that it should happen in this financial year, we can only hope but these things have their own processes. We are hoping that it happens this year.
- Rishikesh Kale** And another follow-up question is, could you give any indication on the pipeline figures and typically what would be the order to pipeline ratio historically?
- C. K. Shastri** Order to pipeline historically has been about 40% of whatever the pipeline has been, that is the thing and we have a process of saying where we talk about engagements starting demo implementation, POC, then comes the RFP and then is the order processes. Currently if you really look at it, I am talking about the new orders and not talking about the revenues from existing customers, I am talking

about getting a new logo. From that perspective we have about close to \$32 million.

**Jayant Dwarkanath** And Mr. Kale, because we have a small field force, it becomes even more imperative that we try and convert as much as we can because if it is a much larger field force, obviously the pipeline becomes also much larger because each person carries his own quota. So, that is where the challenge has been and as Shastri said, 40% by industry standards is a fairly high conversion rate.

**Rishikesh Kale** Is \$32 million, the pipeline?

**Jayant Dwarkanath** Yes, that is for the new logos, new customers. This does not account for revenues or mining of existing engagements.

**Moderator** Our next question is from the line of Utsav Srivastava, an individual investor.

**Utsav Srivastava** We have approximately consolidated cost structure of Rs. 60 crore per annum. So, how do you see that working out this year?

**C. K. Shastri** Yes, we have been able to reduce manpower cost through judicious mix of optimization and automation. And you will see the benefits in the coming quarters and we are definitely optimizing our cost and also looking at new business models like more of SaaS models, more of cloud so that our profitability is higher.

**Utsav Srivastava** In the US, last time you had done one deal and you had said that may be a precursor to a larger deal and you will use that one transaction to showcase it to others. So, have we got more people interested in our platform?

**C. K. Shastri** We are working on quite a few opportunities, so that definitely has given us a very good reference in that region. We are very, very close to signing a very good, strategic, new logo. These people operate in 23 countries and hopefully we should be announcing that very soon.

**Jayant Dwarkanath** I have got all my toes and fingers crossed and I am touching wood, wish us well, we will announce something soon.

**Utsav Srivastava** Have you made any other innovative product which you want to talk about which is yet to be unveiled, is there anything in the pipeline?

**C. K. Shastri** When we are taking our UniServe NXT to the system integrators, the good thing about the system integrators is that they have excellent domain knowledge and they have the business knowledge as far as they are concerned. So, we are actually learning quite a bit and we are ourselves getting excited about the NXT platform about how it can deliver in terms of value to our end customers and even to the system integrators. From that perspective, it is quite a lot of innovation, if you really look at it by the time. I somehow believe that it will be a big transformation or game changing platform for us going forward. In fact, more than the new innovations what is really eye opening for us is with the market and domain experience of the system integrators we ourselves are kind of getting enlightened as to how our existing solutions can be probably further used in multiple domains.

**Moderator** Ladies and Gentlemen, that was the last question. I now hand the floor back to the management for closing comments. Over to you, sir.

**C. K. Shastri** Thank you very much for taking time out to join the call, really appreciate it. And your company, your management and the entire team at Intense is working very

hard to see that we deliver value to our shareholders. And we look forward to a good upcoming quarter. Thank you very much.

**Moderator**

Thank you, members of the management. Ladies and Gentlemen, on behalf of Intense Technologies Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.

---

*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.*