

Date: November 28, 2018

Symbol: NSE – INTENTECH; BSE Scrip Code: 532326

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

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

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 Monday, November 5, 2018, on recent financial performance 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

Q2 & H1 FY19 Earnings Conference Call Transcript November 5, 2018

Moderator Ladies and gentlemen, good morning and welcome to the Intense Technologies Limited earnings conference call. As a reminder, all participants' 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 the conference call, please signal an operator by pressing * 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, ma'am.

Shikha Kshirsagar Thank you, Bikram. Good afternoon everyone and thank you for joining us on Intense Technologies' Q2 & H1 FY19 earnings conference call.

We have with us Mr. C. K. Shastri – Founder & Managing Director of the Company; Mr. Jayant Dwarkanath – Whole-Time Director; Mr. H. M. Nayak – Head of Finance & Administration; and Ms. Anisha Shastri – Director & VP-Business Operations.

We will begin the call with brief opening remarks from the management following which we will have the forum opened 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 in nature and a disclaimer to this effect has been included in the earnings announcement shared with all of you earlier.


I would now like to invite Mr. Shastri to share his remarks. Over to you, Mr. Shastri.

C. K. Shastri Good afternoon everybody. Thank you very much for taking time to join us on the H1 earnings call. Really appreciate your time and festive greetings to each one of you. May we all have a wonderful Diwali.

Just to give a brief introduction to those people who are joining us for the first time. Intense Technologies is an enterprise software products and platform company based out of Hyderabad. We have customers in over 40 countries across four continents. We have Fortune 500 customers in banking, telecom and insurance using our software. And just to give you a little highlight on the financials. We have come out from a very difficult year last year. Last year H1 to this year H1 we have seen a significant turnaround in our performance. On EBITDA, we were negative and we have done a Rs. 4.65 crore on EBITDA. On PAT, we were negative by about Rs. 1 crore and we have brought it into positive.

On the technology side, being a product and innovation company, we have been continuously investing in R&D and innovation. We are launching our beta version of BOT-based testing. We are also bringing in the AI into some of our existing solutions. And I would like to also tell you that all our subsidiaries are currently performing positively.



- Any specific questions that you may have I would like to address. Over to you, Bikram.
- Moderator** Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. We have the first question from the line of Rishikesh Kale, an individual investor. Please go ahead.
- Rishikesh Kale** This is regarding the managed services contract. Could you please tell us the status of what it is in?
- C. K. Shastri** In fact, we are very, very happy and pleased to inform you that the entire project has come back on track and we have seen some revenues in the Q2 from it and it is now we have completely overcome all the hurdles.
- Every ambiguity which was there in the contractual terms and whatever we were battling for, in the last one, one-and-a-half years, is completely cleared and there is board approval for every line item of what has been issued to us. And we have begun our work in full vigor and we hope to see substantial revenues from this coming in H2.
- Rishikesh Kale** Okay so has anything been bid in Q2?
- C. K. Shastri** Yeah, we have done but not very significant to what we had expected.
- Rishikesh Kale** Okay so majority of the billing will be in Q3 and Q4 then?
- C. K. Shastri** Yes right. There is a process within part payment also. So we want that everybody is comfortable with it So going forward then it becomes a seamless process.
- Rishikesh Kale** And with regards to this contract we had heard something about Patanjali I mean have there been any add-ons to this contract and number two, what has been the impact of the Supreme Court judgment?
- C. K. Shastri** Yes, there are two questions. One is on the new lines of business they have added. They have added Patanjali as a franchisee network to improve their penetration into the base market and that has also been delivered through our platform.
- And the second thing is that we have also launched one more very attractive plan for Internet of things called Wings where if you are just having the Wifi you can receive directly a call on your mobile or landline call or receive and this is a global offer and they are very gung ho about this particular plan to go get them big numbers.
- And even that is also on our platform. So as a result, what will be significant is that even though BSNL competes very hard with other operators for business with these new plans it hopes to kind of increase its foothold within the country.
- And as regards to Supreme Court yes, the CASA based quantification is no more valid. I think you know that it is not only in telecom it is also in BFSI. And we have offered an alternative EKYC based solution. Today as we are talking, my team along with various operators are presenting various solutions to the DOT and it is not going to impact as far as revenues are concerned as much, but the process of onboarding still is a little cumbersome.
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If you really look at it at the time when the contract was envisaged and it was offered to us we are almost we have gone back to that time where even our physical caps will be part of the process. There will be a new EKYC process and we have the solutions. In all the processes are being implemented using our platform.

So even going forward whatever be the outcome the platform will be in a position to accept all those processes. So even tomorrow if the operators find it too cumbersome to not go to the Aadhaar based process already in there then this other process is also now part of the system.

The problem with the new thing is that there is a lot of ambiguity; people complain that DOT has not interpreted it rightly because Supreme Court has said that Aadhaar is not mandatory, the new phase is not mandatory. It is inferred that it is voluntary but DOT says that it will be against judgment by having the Aadhaar authorisation.

So they are still getting their clarifications but alternatively for every operator we are ready with all modes of on boarding. Since business has to go on anyways irrespective of what clarification comes through all those workloads are part of the platform now.

Rishikesh Kale

And when would you think will the advertisement revenue because you mentioned that there is an advertisement element there as well?

C. K. Shastri

Yes, we are hoping to see that we go live with the platform in December-January because with we have already gone live with the mobile side of the thing but in the mobile side you do not have as many subscribers which are mostly are on postpaid. The landline itself is about a very significant number.

It is a massive number 70 million-80 million. That should be going live in by December because of process delays, approvals and so on and so forth. We have initiated it. We are hoping to do a parallel one by November and the advertisements should kick in. The work has already started.

As far as we are concerned, we have already started tying up with a lot of advertisement agencies. We have started making our recruitment plans through advertisements. We are also enlisting ourselves with the DAVP which is the Central Government enlisting body for advertisements. So we are just working through advertisement agencies for this. We just filed it, as on last Friday.

And any of you seeking to advertise in the BSNL channel please do let us know. The thing is that as far as revenues are concerned, we hopefully might see some but not significant, in the last quarter of this year.


Moderator

Thank you, sir. We have the next question from the line of Aejas Lakhani from Edelweiss. Please go ahead.

Aejas Lakhani

Congratulations on the managed service finally coming through. Sir, more clarity on that? If you could just reflect in June 2016 when the press release was there regarding the managed contract it was a Rs. 150 crore transaction and you have mentioned on multiple calls that look the value does not change but the number of years under which we are expecting the resulting benefit of this Rs. 150 crore has now shrunk so as a function of that the income from this project has shrunk. So now that you have a fair sense of how you may be able to build, could you just give for FY19, FY20 how much are the expected revenues from this project?



- C. K. Shastri** See FY19 we are looking at around Rs. 20 crore to Rs. 25 crore. The next year there could be a drop because the migration revenue will not reflect in that. And we definitely will be seeking an extension of two years for what we have lost to see that they extend it, so that all the customer on boarding and all the transaction based communications which are on going, we see that we make good out of it.
- Typically, I would say that if the advertisement revenue picks up which we should be able to do much more than what we have stated there in the press release. But however, these are all hypothetical, but the downside is not much is what I can tell you.
- Aejas Lakhani** Sir, just a follow up ex-advertisement FY20 onwards can we receive Rs. 20 crore to Rs. 25 crore from this contract?
- C. K. Shastri** Including you are saying?
- Aejas Lakhani** Excluding advertisement?
- C. K. Shastri** Excluding might be about Rs. 10 crore to Rs. 15 crore is what we are looking at.
- Aejas Lakhani** Is this gross or net, this is the gross revenue which we might see?
- C. K. Shastri** Yes.
- Aejas Lakhani** Is there any ambiguity now in the payment throughput and the payment flow or now there will be no questions asked on this matter?
- C. K. Shastri** There will not be any questions asked on the payment front but there is a process to it which is little long drawn compared to other accounts.
- Aejas Lakhani** And sir, given that this project is now on stream does this completely free the management bandwidth for seeking future opportunities?
- C. K. Shastri** Absolutely. We have already started working on making investments in our other opportunities, the other overseas business and our deeper engagements with large system integrators and partners. Similarly on the technology side we have also started making investments.
- Aejas Lakhani** I will just ask one last question and then come back in queue. Sir, this Philippines order that you received, is it on the large 23 country deal order or is this something else?
- C. K. Shastri** No, it is not part of it.
- Management** It is like citizen interface services within the Philippines. It is one of the largest there.
- Aejas Lakhani** So anything happening on the 23 country deal any progress made on that?
- C. K. Shastri** Yes, we are having about two, three good prospects in the pipeline.
- Aejas Lakhani** Expected with the closure of this year or it will flow to?
- C. K. Shastri** Yes, we are hoping to see that at least one or two happen this year.
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- Moderator** Thank you, sir. We have the next question from the line of Vaibhav Joglekar, individual investor. Please go ahead.
- Vaibhav Joglekar** Now on the addition of clients has Intense added from private banks or insurance companies or any other telecom companies like BSNL?
- C. K. Shastri** See we have added one of the second largest bank in India on the cloud, we have added another very large insurance company from a large financial group from India. We are at the close of bidding some good telecom large customers hopefully which will bring in two new names into the telecom slide in to the thing by the end of FY19.
- Vaibhav Joglekar** Now these are contracts which are similar to BSNL like unbolting and all or these are product contracts?
- C. K. Shastri** These are product contracts, these are not managed services. These are related to our next platform of the digital engagement side.
- Vaibhav Joglekar** Now what are the new SOPS which are given by the government to the MSME sector? And does Intense get to benefit from that I mean I am told that so far as companies below Rs. 250 crore turnover are concerned they are taxed at 25% instead of 33% or 35%?
- C. K. Shastri** Yes, on the tax side we definitely have a benefit.
- Vaibhav Joglekar** It was not there till last year?
- C. K. Shastri** I think I probably need to clarify and after that as far as I know it is 25% but I need to get the clarification and come back to you on that, Vaibhav. Sorry.
- Vaibhav Joglekar** And what are the other benefits which have been recently announced by the Central Government?
- C. K. Shastri** See the point is that on the procurement side, there are lot of benefits. But going there we have not actively bid in this because we already got paddled with one large government thing because these are all capital intensive. So we have not been pursuing much on that but hopefully going forward we want to be choosy and selective and go after those.
- Vaibhav Joglekar** And so far as costs are concerned I believe the overall costs of Intense were pegged at around say Rs. 45 crore or Rs. 47 crore. Now your costs are matching so far as the H1 results are concerned. They are virtually half of that, around Rs. 19 crore or something or Rs. 20 crore. Now are the costs likely to be same for H2 or since you are undertaking investment in technology or say new offices, etcetera so are the costs are likely to go up?
- C. K. Shastri** Marginally it would go up.
- Vaibhav Joglekar** Say around 10% or so?
- C. K. Shastri** Yes.
- Anisha Shastri** We are definitely looking to invest further in business development overseas and stuff like that. So any costs will be more of investments.

- Vaibhav Joglekar** But the current costs are not likely to rise?
- C. K. Shastri** No.
- Moderator** Thank you, sir. We have the next question from the line of Srihari, individual investor. Please go ahead.
- Srihari** Sir, I have a few questions and I will begin with some of my questions on the financial statements. So the other financial assets have gone up from around Rs. 5 crore to Rs. 13.7 crore. Can you provide more details here what is the other financial assets referred to and why is it gone up?
- C. K. Shastri** You are asking for other financials like expenses and assets?
- Srihari** Assets sorry, the other financial assets. I think it has gone up from?
- C. K. Shastri** Yeah, they are all fixed deposits.
- Srihari** And also want to understand what the financial assets totaling Rs. 23.8 crore on the balance sheet is referring to? I recall you mentioning that this amount is invested in the subsidiaries you are calling it as a financial asset but I am also assuming that the true value of this investment is probably much lesser than Rs. 23.8 crore, because this amount has actually been used to set up the subsidiaries and pay for the expenses?
- C. K. Shastri** You are absolutely right.
- Srihari** So it should not be reflecting the true value of the asset as such?
- C. K. Shastri** On the accounting principle side we have to show it like that but as you see that from this year onwards all the investments which we made in the subsidiaries will start resulting and there will be a breakeven from that. This year itself we will see a breakeven from the investments what we have made in the subsidiaries. Already on six monthly basis it is breakeven.
- Srihari** Sir, I want to understand this further actually because you are saying that the subsidiaries are doing well but in the past, you had mentioned that revenues from the subsidiaries are recorded in standalone statements but costs are recorded in the subsidiary financial statements which is at the end of the year?
- C. K. Shastri** Yeah that is as per prudent accounting principles we have proportionate to the investments what we have made against the revenues we have taken it as per the new accounting law. That is how it is now the true reflection of the revenue versus expenses. ??
- Management** So at the end of the year you should not see a surprise element to the expense kicking in on an overall basis.
- Srihari** So actually let me just extend this further because if I look at the same quarter but last fiscal year's performance you had posted revenues of approximately Rs. 15 crore odd it has come down by Rs. 1 crore this quarter?
- C. K. Shastri** Yes.

- Srihari** But going by what you are saying during the same quarter last year we included subsidiary revenues and standalone set of revenues but this quarter we are not, right so it is not an apples-to-apples comparison if I compare this quarter with same quarter last year?
- C. K. Shastri** Yeah, if you take H1 to H1 it is not an apple-to-apple comparison. You are absolutely right.
- Management** But our business promotion expenses about those markets may not have been reflected in the last year's balance sheet but in the last years as per new accounting principles we have taken the business development and delivery expenses proportionate to the revenues what we achieved. So at the end of the year when the overall account statement comes up there will not be any we are hoping that there will not be any negative impact on the overall statement.
- Srihari** I get that but let us say if we were to do an apples-to-apples comparison and we were to include subsidiary revenues in the current set of revenues so that we can compare Q2 versus Q2 last year. Then what will be the approximate total set of revenues earned during Q2?
- C. K. Shastri** Both the revenues have been taken in and the expenses have been taken in proportionately.
- Anisha Shastri** The revenues are already included.
- Srihari** No, revenues are not included that is what I was saying. Revenues were included in the past but?
- C. K. Shastri** Even now we continue to include the revenues but what were not included is proportionate expenses towards that were not included last time, now it is included. So for H1 of this year if you see the difference of about Rs. 2 plus crore is towards the business development and expenses towards delivering these revenue line items.
- Management** Which last year would have kicked in at the end of when the consolidated statements came in. So the last year just to answer your question the last year's figure does not include the proportionate expenses but it is more towards the revenue which was recognized but this year we have not done that.
- Srihari** Sir, I am still a little confused. Perhaps we can take this offline because last year if I look at your overall consolidated set of revenues?
- C. K. Shastri** We will take it offline, Hari. I think you can drop an email to me and we can speak on that. See in a nutshell just to give you a clarification on this very thing, what we have done which you are right is that because we had the contract directly on the parent company, we were only recognizing the revenues then in the last year. And we were not recognizing the corresponding expenses related to delivering business development towards that particular thing. Now both revenues and expenses are being recognized. And if you have still not understood this thing we can take it offline.
- Srihari** I am just confused a little bit because revenues have come down, correct I mean if you are including subsidiary revenues now, revenue should have actually gone up because bulk of the revenues are from annuities which I am assuming you are earning at the same rate as what you have earned during the last fiscal. So if you are including subsidiary revenues net-net Q2 revenue should have gone up?

So what I was saying was that if you are including subsidiary revenues now revenue should have actually gone up compared to last year because bulk of revenues are from annuities, correct so we are earning annuities at the same rate as what we have earned in the past. The only difference is we have subsidiary reviews now included in the current quarter so the quarterly revenue should have actually gone up so that is where the confusion is coming from.

C. K. Shastri I will probably take it offline. What we are saying is last year only the revenues were taken the expenses were not taken. This year both revenues and expenses are being taken. And anymore further we can take it offline, Hari. I can give you a detailed answer.

Srihari And what do current and non-current provisions refer to what are we provisioning for?

Management That is TDS and the withholding tax, what taxes are being deducted and that is the current tax provision. The non-current tax is the old assessments that are in pending assessments are in progress that is what we need to take and if you look at the short-term provisions it is the current tax liability what we need to pay.

Srihari And, when it comes to receivables, we are confident of collecting whatever receivables we have?

C. K. Shastri Yeah, absolutely. We are not now as we had last year because of difficult times we had taken CC limits from our bank but we are not utilizing it. In fact, we are having deposits in the bank. ??

Moderator Thank you. We have the next question from the line of Mr. Anirban Dutta from Jetage Securities. Please go ahead.

Anirban Dutta Couple of questions. One is, I think you alluded to margin pressure in this year in your annual report. So, can you please elaborate a bit from where do you see margin pressures coming about on the cost pressures?

C. K. Shastri See the point is that if you really look at it for an enterprise products like ours selling cycles are long. We have to really invest a lot into marketing and a lot into business development which we have not been doing. If you really look at it, our biggest weakness has been that we have one sales guy for Europe, we have one sales guy for US, we have one sales guy for Middle East and Africa, we have one person for alliances and we have not been really participating a lot in the trade shows and the marketing events for an enterprise solutions like us that investments which are required.

Plus, we also wanted to make investments in the new platform, the next platform substantially but all these we had not done because of our constraints what we had last year. But however, like somebody in the call had asked us we have been very, very cautious in doing this investment after we have we would want to first come out and have a good financial year this year. Based on that we would want to make the investments whatever required to grow this business much further.

Anirban Dutta So at least as of now that question is not there?


C. K. Shastri No, as of now that question is not there. That is what we can see from the reflection of the cost.

Anirban Dutta Sir, another question is if at all, was there a license revenue in this quarter?



- C. K. Shastri** What has happened is typically we normally negotiate upfront the entire license revenue which has not been the case one very small part of it as the license which has come, some 20%.
- Anirban Dutta** 20% of the revenue this quarter?
- C. K. Shastri** On that account.
- Anirban Dutta** And finally sir, what is the employee headcount as of now let us say 30 September or may 31 October?
- C. K. Shastri** 357.
- Anirban Dutta** And what was it corresponding period last year?
- C. K. Shastri** 460 or so.
- Moderator** Thank you, sir. We have the next question from the line of Anshuman Mohta, individual investor. Please go ahead.
- Anshuman Mohta** I had a couple of questions. Like one thing I want to ask you is we are seeing that we have already enrolled some good private sector bank and an insurance company. So why do we not announce the names of those companies because that will help us give more confidence to us and other investors also? This is one.
- And besides this what is the kind of growth we are looking at for the rest of the year. Like if we see Quarter-on-Quarter we have done a good run rate so I do not want to compare with last Year-on-Year, what is the kind of revenue growth we will be doing in the coming two quarters and the next year also if you can give some guidance because we must have you told it is a long term association marketing types? How will you go about in the future?
- C. K. Shastri** Anshuman, it is a good question. The point is that we have this confidentiality agreement because you know that all our clients are very, very large multibillion dollar companies. They do not want to share their competitive advantage of what they do to the world. That is why we cannot reveal the names.
- However we told you that because of the confidential agreement we cannot share the name but however we have clearly mentioned that it is the second largest bank we said it is one of the largest financial group which we have signed them insurance side. We have said that we have signed the large global satellite company in the UK for this. So we have our constraints on that because of this thing so that is how we are not able to share the thing.
- Management** But what we are certainly working with them is once the entire project goes live, we would want them to probably go and announce that so that it becomes easier for us too?
- C. K. Shastri** We are working on that.
- Anshuman Mohta** Because if the names are announced and if we can reference of these big companies to others our work will be half done for grouping the new customers?



- C. K. Shastri** Yeah, we do that in the sales side of it. Definitely in the enterprise sales they are not only look at the names, they also have reference calls made and they speak to our existing customers.
- Anshuman Mohta** And we also saw one tweet from your side that leading privately held wireless carrier in the US implemented our automated pre-bill audit solution to improve customer satisfaction?
- C. K. Shastri** Yes.
- Anshuman Mohta** So we are doing quite a roping in quite a new type of customers. So what is the growth expected in the coming six months and 1.5 years?
- C. K. Shastri** We believe that we will have a much, much better H2 compared to H1. That is all I can tell you.
- Anshuman Mohta** Can we look for a 40%, 50%, 60% kind of a growth?
- C. K. Shastri** I do not want to make forward looking but we definitely are working towards that.
- Moderator** Thank you, sir. We have the next question from the line of Aejas Lakhani from Edelweiss. Please go ahead.
- Aejas Lakhani** Sir, just a quick follow up. If you could provide the outlook for the business now onwards I mean with your bandwidth being a little more free?
- C. K. Shastri** See the problem is that we just are about to make investments into this business development and sales and all of that. As far as our new customer acquisition is concerned with this small skeletal people, we have we already making good progress. I can tell you that definitely Year-on-Year we see a definitely significant improvement from what we have done last year to what is going to be this year. That is one. Going forward we would definitely like to make investments.
- We started already making investments in the sales and marketing. We just recently participated in the Gartner event in the US. We have hired more sales people in the Indian market and we definitely see that all these investments are going to see results and growth. Because even wherever we are with such poor brand equity we are able to get a large name to speak about the platform and the value we delivered to our customers.
- Aejas Lakhani** Sir, follow up is that two calls prior to this one you had mentioned that now system integrators have started to take us seriously and give us more airtime which they were not giving us prior to a year. So, any update on that? Have transactions or those POs actually resulted in sale?
- C. K. Shastri** No, we have progressed as if all that work is moving very well. We are seeing some very, very positive relationships being built up. For the first time we ever had a very large, a multimillion dollar system integrators sending their people for a workshop to our office itself speaks volumes on the interest being shown. Earlier it was always opportunity based but now we are making joint go-to market plans and all of that. And pipeline through them is building up.
- Even as we speak Aejas, I mean we have a pipeline with our system integrators in all our markets be it Middle East or Africa or Europe and the Americas too. And seeing that we were very, very keen on growing our Americas market, there also we are seeing some significant movement on the alliance side.
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- Aejas Lakhani** Sir, just a quick follow up. Have any of the last two quarters of engagement resulted in any small order as well?
- C. K. Shastri** Yes, there are. As I said by the end of the year, we should see at least two deals closing because we hardly had, as I said most of our bulk sales guys also trying to route and work through system integrators in their local market. So that has been the thing and most of our opportunities which are going to be new customers which are going to come overseas will be through these large system integrators. ??
- Aejas Lakhani** And sir, will the revenue like in the 23 country deal the method again was through a system integrator and we were not able to sort of gain a lion share from the revenue because of certain portion went to the system integrator. Have we seen improvement in our bargaining part at this juncture or?
- C. K. Shastri** Yes, we have significantly seen improvement in our bargaining part compared to what it was long back.
- Aejas Lakhani** And how has that come across, is it because of internal confidence that we have got or?
- C. K. Shastri** It is not only that they are also seeing that a breakthrough in to an account using our platform solution is also providing them an entry and other opportunities for them to be in that account.
- Aejas Lakhani** And sir, system integrators themselves, large system integrators tier 1 IT companies, are making investments in products either through the route of acquisition or internally. Do you see that as the challenge or an opportunity for us?
- C. K. Shastri** In fact somebody had said that had you not been listed you would have been able to raise \$30 million in series B itself. But unfortunately being a listed entity we have our own challenges as per that is concerned.
- Management** And what we see in the market Aejas is that as you said every system integrator is looking at a product strategy. But they are so ingrained in their services philosophy that while internally obviously they must be talking about products roughly but their business has to go on and that is why today in every market we are seeing a lot of engagements with system integrators happening and our pipeline that we spoke off in the overseas markets, most of them are through systems integrators. However, what used to happen in the past was that they would never give us phase time with the end opportunity but all the current opportunities it is a joint go-to market.
- Aejas Lakhani** And sir, just to get a sense. If earlier the ratio was if 100 used to come to the system integrator assuming we used to get 20 how is the ratio changing in the future orders?
- C. K. Shastri** The thing is that it is at least 60:40. I could say that. What we are doing is we also have if you really look at it because anyone would like to make an investment and take us to the market provider and they also see enough revenues we do not make big revenues on the services side. That is the implementation and integrations and all of that. A major chunk of that revenue goes to them which where we do not have any revenue share on that.
- On the license also we have been able to bargain very well and we are almost asking them to give us 100% on the license. At some places we have to give in and say that 10%, 15%, 20% we are giving in on the license side. But on the services side is where they make a lot of revenue.

- Management** And the way we see it Aejas is that once we have actual engagements running in these markets these will help our own sales activities because these will be strong references for us to work along that.
- Aejas Lakhani** And sir, one last point is the large Indian telecom which is the largest startup have we been you mentioned I think two calls back that we were in the process of selling them the next suite of products. Any progress on that side?
- C. K. Shastri** Not really. But in all their engagements, we are able to do a little bit of cross selling, up selling, but we have not made the progress on their next platform. Because launching their fiber to home and content is their priority.
- Aejas Lakhani** Do we benefit from their fiber to home launch?
- C. K. Shastri** Mostly, everywhere you require to have customer onboarding. The only thing is that unfortunately with the way they are they have not signed an enterprise license so they use that we do not get big revenue on the license but we will be getting it on the services and implementation for all these. ??
- Moderator** Thank you. We have the next question from the line of Anshuman Mohta, individual investor. Please go ahead.
- Anshuman Mohta** Sir, last two questions more from my side. Sir, like we are dealing with banks, insurance companies, private telecom companies etcetera. Sir, any big deal which is happening or happening soon which will be a good news? And sir, what are the kind of difficulties we face in cracking these things, meaning, what is the competition we are facing?
- C. K. Shastri** Anshuman, it is a good question. As a strategic decision what we have done is that we also wanted to see that we have significant presence in the banking and financial services. So from the time when we started focusing, we have the India's largest bank, India's second largest bank, Middle East and Africa's largest bank in our clientele.
- And as we all know that we do compete with some of the largest players in the world from United States, who we won against. So there is definitely competition but we have made a significant presence by showing a better value proposition in terms of technology and the business value what we can deliver for that.
- Anshuman Mohta** Sir, one more thing. Sir, in this respect are we giving better products or are we giving better prices?
- C. K. Shastri** Price in fact thankfully because of these international players we are able to get better value for our products.
- Anshuman Mohta** And sir, nationally is there any pricing pressure we face from the competitors?
- C. K. Shastri** See the point is that enterprise businesses most often is not decided on price but of course India is not a country where you get the value what you can get. Typically the value what we get for our platform product in the overseas America, Europe is much, much higher than what we get in India. And it is not only true for us there are lots of product companies have a differential pricing based on the geographies.
- Anshuman Mohta** In this regard I want to ask you one, like you had mentioned a couple of questions back that we are having only one sales representative in the US and in the Europe



and everywhere there is one, one person team. So when we get better pricing abroad why do we not have more potential abroad than in India ?

C. K. Shastri

Yeah, there is no doubt about it, Anshuman. The whole question is that it need investments and you are not a well-known presence when you are talking about mission critical solutions you should also be well known, you should invest not only in sales people, you should invest in marketing, you should invest in whole lot of other things, but because of certain constraints, we had not done that. But we are slowly seeing results wherever we made investments.

For example, Europe is not only that we have a very large big name we have had a second win in Europe. In the US we have one account we have opened another one is the Americas. The third one is most likely to come in. So we are just taking baby steps but of course I agree with you we have to make serious investments in the international markets. ??

Anshuman Mohta

Sir, in this regard when we crack three, four, five people does it become easier for us to crack the next bunch of five people more?

C. K. Shastri

Absolutely, because the cross reference will really help you. Getting the first three customers is the most difficult thing but thereafter definitely it becomes that much easier.

Anshuman Mohta

The hard work has been done right now?

C. K. Shastri

Anshuman, why do you not take it offline, let us do it offline. Yes, hard work is being done now.

Moderator

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

C. K. Shastri

Sorry, Anshuman you can go ahead and ask me. I thought there will be because it is almost nearing an hour.

Moderator:

Mr. Anshuman, please go ahead.

Anshuman Mohta

So what I was intending to ask was that the kind of customers we are having are the best of the customers you have mentioned in India. So I was concerned about the revenue part, meaning, until and unless we show growth in the revenue and the profit comes ahead how? ??

C. K. Shastri

See Anshuman, it is a chick and egg story. The point is that we have to make investments. To make investments we have to look at debt or equity and then because our selling cycles are longer. I have to make investments and wait for a year to 15 months for it to result in revenue. We are looking at various options to see that how we make the investments.

Anshuman Mohta

The revenues which we received from these companies is on quarterly basis or on a yearly basis?

C. K. Shastri

We get annuity revenues and license revenues.

Moderator

Thank you very much, sir. Ladies and gentlemen that was the last question. Sir, over to you for the closing comments.



C. K. Shastri

Thank you very much for joining us on this earnings call. Really appreciate your time and best wishes from the Intense Technologies to all your families for a Happy and a Very Prosperous Diwali.

Moderator

Thank you very much, sir. Ladies and gentlemen, on behalf of Intense Technologies Limited, that concludes this conference call. Thank you for joining with us and you may now disconnect your lines.

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