

Intellect's Q2 FY25 Financial Results

Investor Earnings Call Transcript

Praveen Malik:

Greetings and welcome everyone!

Thank you for joining us today to discuss Intellect Design Arena Limited's financial results for the second quarter of the fiscal year 2024-25, ending 30th September 2024. The investor presentation and the press release have been sent to you and are also available on our website. Our leadership team is present on this call to discuss the results. We have with us today,

Mr Arun Jain, Chairman and Managing Director

Mr Manish Makan, CEO of iGTB

Mr Rajesh Saxena, CEO of iGCB

Mr Banesh Prabhu, CEO of IntellectAI

Ms Vasudha Subramaniam, CFO.

Some other senior members of the Intellect management team are also on the call.

Now, I hand it over to Vasudha to take you through the financials, and later, Mr. Arun Jain will comment on the same. This will be followed by a Q&A session, where our senior management team members will answer your questions. Once the Q&A starts, you can ask a question by clicking on "Raise your hand." We will unmute you so that everyone can listen to you.

One safe harbour: I would like to remind you that anything we say about our outlook for the future is a forward-looking statement. This must be read in conjunction with the risk the company faces.

With this, I request Vasudha to give her a briefing.

Over to you, Vasudha.

Vasudha Subramaniam:

Thank you, Praveen. Good evening, all. Thank you for joining us today. It's my pleasure to welcome you to our investor meeting. We appreciate your continued support and interest in our company. Today, we will provide an overview of our financial performance, discuss key

highlights from Q2 and share our strategic outlook for the future. Together, we look forward to achieving our shared goals.

Let me start with the financial overview. Our revenue for the full year FY24 stood at INR 25,064 million. We are a zero-debt company with a cash balance of 7,760 million. We are specialists in financial technology and open finance design. Complexity reduction and transformation design are at the core of our work. We have strong partnerships with Microsoft, Oracle, and Accenture, to name a few. Intellect is on the path of continuous innovation and spends 2 million hours yearly on research investment spread across 34 plus nationalities.

Design thinking is in our DNA; as you know, we opened the world's first design center for financial institutions in 2013. We have had more than 6000 visitors across 60 nationalities from more than 150 banks visiting us till date. There have been a whopping 600 walkthroughs to date. The Design Center is the incubation hub for innovative and customer-centric products. eMACH.ai, our First Principles Thinking based most comprehensive, composable and intelligent open finance platform having 386 micro services 2015 APIs and 650 events. With this state-of-the-art platform, we transform everything: the enterprise, the experience and the operations.

Let's get into the performance overview. Our total revenue for the quarter stands at 556 crores, with licenses contributing to 85 crores and AMCs contributing to 120 crores. Our license-linked revenue is 250 crores for the quarter, and our annual recurring revenue stands at 662 crores. Our gross margin is 298 crores, which is 54% and EBITDA is 79 crores at 14%. At this juncture, I would like to mention that we had signed a deal close to 3 million in Q2 but could not accrue it in Q2 due to delayed sign-off. This would have taken our EBITDA to more than 100 crores. Collections during the quarter amounted to 550 crores and our cash position as at the end of Q2 is 755 crores. We had 12 deal wins and we went live on nine digital transformation projects during the quarter. Our DSO outside India is 119 and in India it is 270, which makes overall DSO at 146.

For the half year ending September 24, total revenue is 1161 crores with 210 crores coming from the license, 241 crores from AMC and 112 crores from the platform revenue. We have had 23 deal wins during the half year and 21 new deal transformations have gone live. PBT for H1 stands at 168 crores and PAT stands at 127 crores. In the last 12 months ending September 24, our total revenue was 2,344 crores with 468 crores of license revenue and 470 crores of AMC revenue. EBITDA for the period stood at 20% and we had a PBT of 408 crores. In the LTM, we had 53 deal wins and we had gone live on 52 digital transformation projects.

Talking about revenue mix, 39% of our revenues are in USD followed by 18% in GBP, 16% in INR, 7% in Euro, 6% in CAD and 14% from other currencies. The numbers we went through in the previous slides are presented together in a tabular column here with further details. eMACH.ai is accelerating growth with deal wins and digital transformations in Q2, detailed in the forthcoming slides. eMACH.ai has been selected by 12 customers across the globe in Q2, and these financial institutions look forward to embracing Enterprise Connected Intelligence through the first principles thinking-based open finance platform. We have six deal wins in the Americas driven by eMACH.ai. Our corporate digital transformation deal in the Americas paved the way for our entry into the Mexican market. Our Magic Submission and eMACH.ai Xponent are highly capable offerings that have been inked by five large and speciality insurance firms in the US. In Europe, we had two major deal wins. eMACH.ai Xponent for easier underwriter consumption will be used by the UK's largest business insurance provider and a UK-based leader in global finance with a huge asset size of €1478 billion will be using our payment solution. We continue to offer low-cost and reduced-risk products to all our clients. There are four deal wins in IMEA; our card platform is chosen by a large foreign bank in India Our wealth platform has been chosen by one of the leading banks in Saudi Arabia. A tier-one lender in Kenya has chosen our eMACH.ai lending platform, and the largest bank in UAE has chosen eMACH.ai CTX to power their customers with higher returns on their cash capital. We have made nine digital transformations this quarter.

The icing on the cake is the significant digital transformation deal going live with our liquidity and CTX in a global tier-1 bank. This is the largest program in the bank, impacting processing of about 15 billion dollars per day and running in 50-plus countries on a single instance. Here are some of the analysts' endorsements that came our way. Datos Insights has recognised eMACH.ai Magic Submission as an intelligent document processing ecosystem solutions provider, and eMACH.ai Digital Lending has been identified as a vendor providing AI functionality in business lending. Celent has recognised our Xponent as an underwriting workbench with strong decisioning tools. Chartis has recognised our credit lending operations as leaders in 5 different quadrants. Gartner has recognised us as a representative vendor in digital marketing, multi-channel solutions and commercial loan origination solutions.

We are proud to celebrate our excellence in human Capital. We have received the Gold Award for excellence in creating a culture of continuous learning and up skilling at The Economic Times Human Capital Awards. Secondly, we have been honoured with the Most Preferred Workplace for Women Award 2024-25 by the Republic World and Team Marksman Network

We have a funnel of 8,889 Crs as at end Q2, with Destiny deals accounting for 64% of the funnel size in the quarter. The average deal size of the Destiny deals is 50 Crs, and our Destiny deals as a percentage of the total opportunity size hovers above 60%.

Our funnel has grown by 18% over the last one year. The number of destiny deals that are being pursued has also increased from 74 at the same time last year to 89 this year. In summary, we have a healthy funnel, which is getting stronger and stronger as quarters roll by. The total high-value active pursuits continuously increasing to 89 in Q2. Overall, we have 5 losses, 73 carried from the previous quarter and added 16. The number of wins is more than the number of losses, and we have also added more than what we have won or lost. Thank you so much and over to you, Arun.

Arun Jain:

Thank you, Vasudha, for taking through the numbers. So, first of all, in my commentary, I think this quarter's financial results are not in line with the expectations of analysts that Praveen Malik mentioned in the Safe Harbour statement: We can't predict the future. We try to make it possible. I'm looking at the analyst perspective differently from an investor's perspective.

From the investor perspective, last quarter accrued significantly in terms of 2 main shifts we are doing. So, if you're observing as an investor in the previous six quarters from March 2023, We are shifting eMACH.ai to drive the aspiration of having a larger significant business from the US and Europe and Australia. So, the advanced market share we wanted to increase, and that's how we shifted our pivot from product to eMACH.ai. Because we analysed these customer needs more deeply that they need two ways.

One is the legacy modernisation space and the second is the application rationalisation space. These are relevant from the eMACH.ai perspective. So that is a shift we first changed the technology. So, we will spend time changing the technology landscape in the first three quarters. Then, in the last three quarters, we have approached the problems differently. And this time, if you see it, we have close to 2/3rd of the deals won from advanced markets. So, out of 12 deals, eight deals are from the advanced market. So that's a big shift which we are looking at. The second shift we are doing is around the distribution network. So, in the last 4 quarters, we have been building trust among the four influencers in the market – Deloitte, KPMG, EY, and PwC. So, these are the four key players for my consulting side who are influencing buying decisions. We are working with BCG and McKinsey as a key Board-level intervention and there are seven SI's we are working on distribution networks. So, our distribution partnership team, the second lever for our predictable revenue, is coming from that area. So, first shift is towards getting a higher margin business and a large sustainable window size. The second is towards building sustainable revenue.

Those are the larger canvases which we built around the largest suite of eMACH.ai. As soon as you move to the Americas and Europe, I think we need to recognise these large institutions which we are working, which is tier one institutions in the space of what you call JPMC or Citi or HSBC or Wells Fargo, these are the names Santander all these names desirable name in any product company that they are a customer whether it's HDFC or ICICI. All of them- ENBD - are the kind of customers who need to be there. Now, for each of them, the only problem is that each customer requires five bridges to be crossed to close the deal. And with more global volatility, the risk department is taking longer and longer cycle time to close the deal bridge.

Bridge number one is the business manager, where we need to sell the concept. Bridge 2 is my technology and CIO. Bridge 3 is my architect. So, once I qualify all three bridges against an RFP, and I win the RFP in spite of that, it takes 6 months to close to the next bridge for the next bridge is the procurement, and 5th bridge is contracting. It's close to 5 bridges we need to cross to have these deals. So, for some of the deals which we are already in the contracting stage, I'll ask Manish, Rajesh and Banesh what we are looking at and how is the business opportunity we are looking at it. And those deals are still - on your question - , would be the basis on our guidance of 15%. So, I think now, at this point in time, I would say we stopped taking the guidance because these deal values are large, like what Vasudha has mentioned. There's a deal of 3 million dollars that we got signed just one week later because of the paperwork of 15 signatures. One signature happened only on a much later date - rather the whole deal should have been signed. Now that has impacted, let's say, the 100 crores EBITDA versus non-100 crores EBITDA. At least many more deals of a similar nature which are there already we won the deals and are still in the contracting process.

So, it's not for a defensive position that we are postponing. But it's the nature of the business that we are in, and that's why I'm addressing the investor. This is a core business model issue because we are looking for a big ARR. So, we are looking at a single ARR of \$1 million, \$2 million. The annual recurring revenue of \$1 million if it is signed, normally small startup will sign \$20,000 ARR or \$30,000 ARR. We're talking about an ARR of \$2 million. Now that those ARRs are creating a huge value for the company, signing up multiple times for evaluation is taking an equally longer time. So, once I shifted to distribution, Microsoft, we worked very closely with them, and now we are the top 5 players in the banking and financial sectors. They have chosen us in that category now. So, the entire lifting up of Microsoft has gone up. AWS is doing a similar job in other geographies with our financial sector inputs. As a consulting firm, we now have a full-fledged organisation. We opened a new partnership office in Bangalore to service these partners and do a boot camp with them and then global integrators. So, we are now ready to integrate eMACH.ai with iTurmeric and Purple Fabric. We are prepared to let go of implementation to our partners, and we are successful in implementation. And in the Philippines is one of the largest deals where Accenture

implemented our solution, and that's why we are building a good capacity with Accenture. So, this is on the distribution side. At this point, I would like to invite Banesh to discuss how he sees AI in insurance and wealth.

Banesh:

Thanks, Arun. I think I'm going to stay, you know, on the same theme that Arun brought up. I think if you've seen your company consistently winning insurance deals in North America over the last couple of quarters. Our insurance business is primarily focused on North America, and it is a complete 100% AWS SaaS subscription platform. Over the last quarter, Vasudha highlighted all the deals we have won over the last quarter. We have got a good amount of 5 odd deals every quarter that we are doing. But there are two frames to this. One frame is the continuous focus because we've got a very large set of leads. We have over 300 leads actually in the insurance business, and I think the leads are focused on a certain set of segments of insurance carriers, brokers and wholesalers in different insurance business lines where we continuously expect that every quarter, we will sign subscription deals. Now, all of you know that subscription, as Arun mentioned, ARR gets accounted for every quarter on a monthly run rate basis and therefore, the revenues that you sometimes see you know do not justify the shorter-term subscription revenue, but they grow significantly over some time. We've got over 25 customers in North America right now in the insurance business, but what's interesting is we just completed a recent sort of mega event for insurance in the world, not just in the US. It's called the ITC event in Las Vegas, where we shared the primary booth, which had almost 300 people come to it. We shared the presentation jointly with Microsoft to the whole panel.

I think almost 9000 people attended it. So, I think our insurance business is what you are seeing. And your company is seeing that it is actually a very solid frame of business. Now. We have a bunch of deals which are pretty large ARR, as Arun mentioned, and there also seeing some people, based on the sheer size of the business and the growth they're seeing, would also like to consider doing license deals. So, we are actually very flexible in the way we approach how we can help the customer succeed. And just to remind everybody, we are sort of the best in the underwriting ecosystem in the US. As a matter of fact, recently, we've been awarded again for 2024 the Luminaries award by the leading property and casualty insurance analyst that covers pretty much through an independent panel insurance capability. So, I think what I would like to say that this business momentum is growing, and it will, for both large and smaller deals on a regular basis, keep your subscription revenues. So, that's a bit on the insurance side.

I'm going to touch on the very exciting area of AI or your platform, Purple Fabric. We've had pretty much all the partners that Arun mentioned leading audit companies, some clients of ours. I think we've done over 35 sessions in the last quarter. And what this platform does

differently is because there's a lot of noise, a lot of AI platforms there in the market today. I think what our platform does differently is it helps financial institutions manage their data securely. Because we know all the security threats that today exist on data, both information securities as well as privacy. We help them govern their AI initiatives because many people try small pilots. There's a lot of noise. There are lots of companies that are looking for small use cases using Chat GPT and various types of large language models. I think we believe that our financial institutions owe them a very stable platform to manage AI. And we've got a very good complete platform which both the leading audit companies very well accept, the consulting companies as well as some of our leading clients. And we have actually three very good deals. One of them has gone into a pilot. Two are, actually. We have 1 in the UK, which is in the process of contracting, and I'm sort of hopeful over the quarter, we will clear out some of these contracting things. Remember, AI is going through a significant amount of regulatory influence, with new regulations coming in. So, even the contracting teams do take time to put together all their signatures before they go ahead with us, but I just want to leave with you that we are probably one of the best positioned to manage AI agents and multi-agents working together to transform operations. So here you'll be hearing a lot of Purple Fabric as we move forward, and we've already launched the product in a few places. So, that is the other point I wanted to touch on.

Third is, of course, your wealth business is beginning to get traction. We've had, you know, four excellent deals. As you know, last quarter we had a significant deal with one of the largest asset managers in the world. But similarly, we've recently won a very good deal in Saudi too. And I think our platform is well geared to be able to capture what is a growing wealth business quite significantly in most of the markets we are focused on. I think Arun, that's a bit of a snapshot. In the longer term, the business, where it stands with its leads and capabilities, is really well positioned for an investor, keeping in mind a longer-term return for the company.

Arun Jain:

Thank you, Banesh. I think today's message is on the release, as well as the Purple Fabric announcement. This is a very unique platform. Last time, we promised to have a separate session with the investor. Banesh, maybe we can schedule. We should do a separate invite to the White Purple Fabric and AI. Because a lot of investors don't know what they don't know and it's very noisy, as you mentioned. So, if you can schedule a session in the next two/three weeks, Praveen, for the investors session only the last time they requested it, I think we were so busy with the client and prospect that we didn't pay attention to the investors.

So, maybe whoever is interested can request and participate for an understanding of what the market is doing, what Palantir is doing, and where we are where the customers who

have been using Palantir are finding opportunities to talk to us. Okay, now it's Rajesh. If you can look at core banking, which is a big area of change and transformation, it is being heard about. Where are we on that journey?

Rajesh:

Sure. Thank you, Arun, and good morning, good afternoon and good evening to everyone on this call. Let me give a little bit of a business commentary on where we are from a GCB perspective. And in line with what Arun and Vasudha talked about, our focus is on advanced markets, so let me pick Europe as an example, talk about what's happening in Europe. You have heard me talk a little bit about Europe for the last couple of years and how our strategy is pivoted around Europe. And I think over the last couple of quarters and years, we have been making investments and building our Europe sales team, presales team, delivery team, etc. so that we can have a critical mass there.

Europe from a couple of years back where for GCB, Europe was a very small proportion of as a percentage of revenue. This year, in fiscal 2024-25, my estimate is that Europe will be more than 25% of my revenue will come from Europe. So, that's what we've been able to build. Let me give you a little bit more colour around Europe. So, I think if you look at it from an existing customer's perspective, you will recall that we have had a couple of wins in the past. We talked about Santander UK, a subsidiary where we've got a core banking site. I am happy to inform the investors and analysts that we've been able to renew this contract, and we have actually renewed it with further more work. A couple of years back, we also announced the deal with Otto, one of the second largest e-commerce players, where we provide our core and lending platform. There also the customer is very happy with us and they have actually been able to increase our footprint in order. So, there the strategy of increasing our and trying to do more with our existing clients is working very well in Europe.

From a new client's perspective, though, we couldn't sign large deals, and I think Arun talked about that. We have five deals where we are in the last stages from an Europe perspective; two of them on core banking are in the UK, two are in continental Europe, and one is in South Africa, which is a multi-country roll out. So, I think we are seeing our proposition, our references, our investments that we have done, and hopefully, in the next couple of quarters, we hope to close these deals and bring the license revenue in. So, that was a little bit about Europe. I also wanted to take a minute to talk about that learning from iGTB Oxford, it has been able to make a sage brand and doing this transaction banking event. For the first time, from November 4th to November 7th, we are having a central banking event on similar lines that we do in GCB where we are doing this in Oxford at the Rhodes House, where we now have about 50 central bankers, and these central bankers range all the way from governors to deputy governors and executive directors attending this event with us, and we have about 30 confirmed speakers globally coming into this event. So this is the kind of effort and

thought leadership that we've been able to create in Europe and this is something similar that we are doing in other parts of the world. So, I just thought I will pick up Europe since Arun and Vasudha talked about it. And you know, sitting where I am, I'm feeling very bullish about some of these deals. So, hopefully, in the next couple of quarters we should be able to see good results. Thank you, Arun.

Arun Jain:

Thank you, Rajesh. I think the important thing is the eMACH.ai and core banking, which we are able to implement in Santander UK or Otto. They're happy customer because, a lot of times, this transformation is never completed. A lot of people promise. Now, in PNG, one of the largest banks, has gone live on core banking transformation in 7 months. It's the fastest transformation, and it's on the website. Their chairman is publishing how they help the customers to go live in 7 months. So, that's why I think we are creating differentiation over our competition. Manish, it's your turn for your GTB brand and large account access you have, the dream account access.

Manish Makaan:

Thanks, Arun. I feel quite proud that we've implemented a successful market strategy by aligning all our eMACH assets, both IP and Talent, across tier one and Tier 2 banks worldwide. A core strategy has always been to grow with customers globally and extend to other regional or local banks in the market where we enter through global tier-one banks. So that helps us to remain with the market leaders and establish a market leadership brand. This alignment has fostered deep trust and a strong relationship with the top 60% of the banks across all continents, leads to high-quality revenue growth consistently for us.

A steady stream of winds has demonstrated continued success and impact of the strategies. In this last quarter, we moved to very, very large banks close to a trillion dollars of their assets deposit base from one platform to the other. And it's been very big success for them. So, our capability to execute large executions is also a proven point in our winning strategy. This has now further been strengthened with the enterprise-grade eMACH cloud availability, which, in the last 120-150 days, Arun was talking about, we've been rolling across markets. The big differentiation this offers now is that our core capabilities are available in a unified solution. And they have embedded AI into the core platform. This also excites all our system integrators and consulting partners. Now that they have the capability to roll out and implement these things effectively.

Additionally, we have been working with McKinsey and BCG to articulate better the unique value we create for wholesale banks. I think we are one of those unique partners who understand the depth of the corporate, understand what a retail industry, what, an oil and gas industry, what different industry core needs are, and we're able to compose composite

solutions for each of the corporates using that. Based on this, in the last quarter, we closed four significant deals across the Americas, Europe and the Middle East. And notably, three of those four were existing customers who bought more capability and more IP from us. The 4th customer we opened up in a new Mexican market. The beauty of that is that a number of senior executives from this bank had experienced our wholesale banking CBX in their previous roles, in their previous lives.

So, consistent endorsement and high NPS have helped us continuously to win in these markets. I think looking ahead, I see a robust pipeline of about ten deals we expect to close. These are deals between 20 to 30 crores across the next 4 quarters, and I will look at the 4 quarters as two different horizons. H2 FY25 as the first horizon, and then H1 FY26 as the second horizon. For this period, I'm quite bullish, and we just concluded last week with a very successful Sibos. There were apprehensions about it being in Beijing, but despite that, we managed to pull a good amount of customers and prospects, and we had over 130 meetings over there. I'm looking forward to monetising these connections and strengthening our sales funnel further with this successful event conclusion. Thanks, Arun, back to you.

Arun Jain:

Yeah. Thank you, Manish. I think the overall commentary is we are busier than at any point in time. I have personally visited 20 different cities and met the customers and the prospects. I think the kind of appreciation we are getting from the market is that you are better than any other architecture framework which is there. I would say this is a journey of Intellect 3.0, where we are looking to expand some sales investments in the next 4 quarters. So, there will be some additional cost on the sales investment because there's a right time, and we can leverage it, whether it's in the sales of Purple Fabric. So we were discussing multiple times whether that should take AI business out of Intellect. However, we believe that the AI business is a core part of our strategy, and it works in an integrated way. But we need to make an investment.

We have sitting on a large cash pool of 700 plus crores in our kitty. This is the time when we'll be putting some investment into expanding the sales network in the US and Europe. Our proof point has been established in the last six quarters. So that's the most important piece that we wanted to prove whether it's working or not, and the first three quarters are just like concept selling. But after that, it became a really good value creation where we can have a deep conversation with the CIO about how you can reduce his cost by \$50 million over the next five years. What kind of conversation can we have at a strategic level? It lifted our conversation from a product level conversation to a strategic level conversation with the customer, and that's where a significantly deeper relationship can be. We have close to around 35 accounts with and there is a potential for each account to become a \$10 to \$20

million size in the next 3 to 5 years, and that is the potential to can become 500 to 700 billion dollar business.

So, I think that's why our excitement is very high and we are all travelling. Rajesh is in the US, and Banesh is in London. So, all of us are in different parts of the geographies in this period. So, I know the numbers for this quarter are not met. But look at it from an overall investor perspective. The company has got better assets. We had such an event happen in the last 6 years of the journey and that every 3 years that something drops down and then come back again. So, this is again an opportunity for somebody to find investment opportunities in the company. Thank you. I'm willing to have some questions.

Praveen Malik:

Thank you, Arun. The forum is now open for Q&A. If you have a question, please click on "raise your hand." I repeat: If you have a question, please click on "raise your hand."

First, we have Mr. Vivek Kumar. Vivek Kumar from Bestpaul . Vivek. Unmute yourself.

Vivek:

Am I audible, Sir?

Arun Jain:

Yeah.

Praveen:

Yes, Vivek. Please go on.

Vivek:

Sir, thanks for the opportunity. My question is, when will we get back to this EBITDA being about 20%? That is definitely a function of the deals, and every quarter, we are missing a few deals at the end. A few deals are getting postponed to the next quarter signing up, and because of that, margins are getting affected. So, for the last two and a half years, you've been investing in eMACH.ai and all these new platforms. From the Investor Day, you were saying that you are so positive because you are looking at the current demand and prospects. So, when do you think all these products will fire up, and we will definitely stay above 20% margin and good growth? When I say good growth, it is about 10% or 15%. Irrespective of all these small events, because these are not big things like huge disruptions or COVID kind of things, these are like one deal getting signed or delays even accounting for delays and minor disruptions. When will we as a company go about 20% and stay there?

Arun Jain:

It will be, I think when a 20% EBITDA margin is not a big issue. Even LTM is still 20% plus on the LTM basis. Maybe in the next 2 quarters, we'll see a significant shift. If you look at it, it is on an annualised basis. So, we are quite bullish about it. Ten deals in Manish, five deals in Rajesh, and three deals in Banish are all more than 3 million dollars each of them. So even if you are able to convert out of those 18 deals, 6 to 7 of them will be above 20%.

Vivek:

So, growth, Sir? When will we get back about this? Because we have designed our company as architecture in 20% growth. So, and because of this GeM and your investments taking time to pay off, I think this is getting delayed. So when will we get back to this predictable 15% growth?

Arun Jain:

That's right, yeah. Last quarter, I mentioned the 700 Crs annual run rate. So, I think our target in the next three quarters is to have at least one quarter above 700 Crs. Which is lucky quarter could be that's another point of view because these sizes are big.

Vivek:

OK, Sir, on the digital core banking, can you throw more light off because you said we have come on to the top 3 and we are fighting deals and how many deals are we fighting in the digital core banking and how are we faring with respect to competition, Temenos and Thought Machine? So, if Mr. Rajesh can throw more light deeper light on that.

Arun Jain:

Rajesh.

Rajesh:

Yeah. So, I think you know we are seeing good traction in the core banking space from a market perspective. I think we are seeing good traction, and we are seeing a lot of banks who were earlier apprehensive of doing a core banking transformation coming into the core banking transformation space. So, I think from a market perspective. It's a good sizable market; of course, some banks may have different strategies. Some may have hollowing the core, and some may have other strategies. But this market size is good. And I think from the deals we are invited for, we are seeing a competition space either from Temenos or sometimes from new age players like Thought Machine or Mambu, etc... And you know I've said this multiple times, but let me repeat it again.

We are in a very sweet spot because we have the latest technology stack with a new-age platform brings but we also have the domain, the domain and the width of the product. So, we are really in a sweet spot for able to do, and whenever we compete, I would say that we

are winning. You know as much as the Temenos or a Thought Machine will win. So, it's the top 3 players, and we are seeing good traction in that. The other point I wanted to make was that last year, we announced the win of OTP Bank in Hungary. As a reference point, OTP Bank is like the HDFC of Central Eastern Europe market. It's a very prevalent bank there, and we are currently implementing it for OTP. The kind of maturity our platform is getting is because of what we are doing for OTP. I can confidently say that from a platform perspective, we are to be the world's best platform from a core banking perspective. That's why there is so much bullishness from that perspective.

Vivek:

Thank you, Mr. Rajesh. Mr. Arun, someone mentioned that clients prefer license deals. Is there any shift towards clients preferring licenses, or is it just a random remark?

Arun Jain:

They both are there. I think that people in large tier-one banks prefer license revenue. Sometimes, they look at it as we want to sell recurring revenue because that's for a 10-year deal value recurring when you have \$ 1 million is a \$ 10 million revenue, while a license of 2 million doesn't give you that. And our values are like FLEXCUBE. If you look at it the Oracle OFSS. As they say old pickle or old Wine. The wine is costlier if it is old. As the company become older the value of the company grow or *Bigger our company grows; its value gets increased.*

We prefer these annual ARRs, but if a customer has a very large deal value running into 4 or \$5 million in license revenue where the AMC itself is \$1 million, we are okay with going for license revenue.

Vivek:

Sir, last question on the BaaS. Two years ago, Mr. Manish said we are trying to do it in the Americas, North America and the advanced economies. How is it traction in the BaaS strategy that we have taken?

Manish Makaan:

We did announce a deal in quarter one on that in the US market, and we are working with 3 or 4 more of those in, like I said, out of the ten deals in the marketplace. See, it's I would wanna add to what I said. Its BaaS is one thing, the second significant shift is embedded AI in our platforms and that's what everyone's looking at of how I can transform my operations with AI doing it outside the platform versus because of our Purple Fabric assets, our capability to orchestrate within our platforms. I think that's the magic bullet right now, which is creating my excitement and has a big differentiator in the market.

Vivek:

Thank you. Thank you, Sir. Thank you, Mr. Arun. Thanks for the opportunity.

Praveen:

Thanks, Vivek. Next, we have Mr Umang Shah from Banyan Tree Advisors. Mr Umang, please unmute yourself.

Umang Shah:

Hi, am I audible?

Praveen:

Yeah. Please go on.

Umang Shah:

Yeah. Hi. Thank you for the opportunity. Two questions. How much investments are we planning to make in the eMACH.ai in terms of setting up sales offices in North America and Europe, that was the first question. Second, North American banks have been very reluctant to move to newer technology, be it core banking or cloud native platforms. So, what gives us this confidence that the eMACH.ai platform that we currently have will help these North American banks leapfrog from their 30–40-year-old legacy systems to the current microservices architecture? What are the conversations that have changed over the last 2 years and have not changed for the last 10-15 years? Those would be the two questions. Thank you.

Arun Jain:

In response to the first question, I think in the next 6 quarters, we should be spending around... we still have to work out the details on the investment, which will be close to \$20 million. We are in the board meeting we were discussing about it that it's an opportunity. It's the lowest cost investment because the products are ready. People take time to build the product over here. We have invested the last 10 years in building the product. Now it's time of GTM. So, it takes 9 to 12 months for the sales team to start realising the value of what is invested.

To respond, second question to you on why American customers are more open right now. I think the cloud technology and AI technology; I think what Manish has mentioned embedded AI is a sweet spot we are getting because we are talking about enterprise-grade AI platform, not ChatGPT as a transactional grade solution. So, we are embedding AI into the trading system we are embedding AI into the lending system, AI into the underwriting system. So that's why our US customer is the entry point for us is AI now, so AI is the starting entry point and then we build up a story around microservices. So, they are not looking to change the entire core banking system. Still, with my iTurmeric and Purple Fabric, we can offer

application rationalisation, which is an emerging space because they are running, let's say, 30 applications that are fragmented with a fragmented database.

With the AI we are able to consolidate those 30 applications into two applications. That's a big win for their perspective. So that's how we are addressing to build a trust in US. So, I must appreciate your deep study in the market that they will not be changing core system. We are also not asking them to change core banking system.

Banesh:

Arun, just wanted to add if it's fine, right? So, thanks for the question. You know, at least on the insurance side, one of the things we are seeing is everybody using a cloud-hosted multi-tenanted platform. However, on the banking side, the interesting thing is that eMACH, because of the nature of its architecture, can coexist with its legacy. So, I think you can take certain pieces and not transform all of the core banking in one shot. I think it is a very, very interesting way of actually implementing and coexisting along with legacy regardless of whether you go to a cloud solution because we are agnostic on cloud in eMACH. You could take parts of this, compose it and execute it to actually improve the priorities for a client and get good business outcomes rather than expect to do a full transformation, which was something that many people had to do in the past, and you know, had its own challenges.

Umang Shah:

Great Sir, this is very helpful. Thank you for explaining this. So, because we are reluctant, I mean the banks are reluctant to do full transformations and our entire pitch around our core banking system, IDA core banking system was that we would ease this transformation for these banks and help them move to a much more componentised nature. Then, wouldn't eMACH.ai actually compete with your core banking product which you have for the banks?

Arun Jain:

Core banking product is embedded into eMACH.ai. So all the microservices are available; like in Otto Payments, which is the largest company, we embed the core banking microservices into the application. So, I think we need to just explain to you more clearly that microservices is what we said 386 microservices. We may choose fifteen microservices to make an application rationalisation which can coexist with the existing core in phase one, Phase two, and Phase three. So that's what we are proposing: we can help the bank reimagine banking rather than modernisation.

Manish Maakan:

Arun, just adding to what you said, look at some of the modern new core banking players. The difference between what they have and what we have is they just have an SDK, and the domain depth of those capabilities is really lacking. Our experience and expertise in rolling

these things out across these large tier-one banks across so many markets. So, we have modern technology, which has been recomposed on the eMACH architecture, and we have 30 years of depth of expertise. You don't overnight become that expert. You can read a ChartGPT, but ChatGPT doesn't give you depth of knowledge. Depth of knowledge comes from experiences. Jokingly says cars we have on our tracks, building and learning through these 30 years of journey. You can't underestimate that for any new competitor. Enterprise-grade technologies are not built overnight.

Umang Shah:

Great, Sir. Thank you so much.

Praveen:

And so on. Next, we have Mr. Ravi Mehta from DEEP Financial.

Ravi:

Yeah, am I audible?

Praveen:

Yeah. Please ask your question.

Ravi:

So, my question was more about the Environment. So we hear a lot of IT service companies, you know, giving good commentaries around BFSI demand uptake. How is it for you? At least, you know, when we compare it, say, three to four quarters back and now when we see this deal signing is delayed, at which leg it is getting delayed, whether it is the, you know, concept selling stage or the compliance or risk. Just want to understand how the environment is changing and where exactly the delay is happening. If it's at the closer end of compliance and all, it is still OK whether the initial pitch is getting sales through. Just want to understand that.

Arun Jain:

Okay, so I think that if you look at the lead generation process to the closure process, we call it P0 to P5. Six stages. Our lead generation process, as Banesh puts it, now we need to really take a conscious call about which are suspects and which are prospects to further work on, which is how do we move from P0 to P1 to P2. So, we have a good amount of traction in last one quarter, we added close to 150 plus or 180 leads in this same quarter in the funnel.

There is a significant acceleration happening in the lead to opportunity, which is close to 100 leads have moved to opportunities. There's a movement happening. What the results issues are there, which is related to 50% of issues are related to the contracting phase after the

third fourth bridge within the deal win. So, after winning that deal from the business manager, the technology manager and CIO/ Architect - After qualification of this gate. We are stuck at gate 4, gate between gate 3 and gate 4. We are stuck at the procurement and want to negotiate 100 thousand dollars. Somebody wants to put in some contract. One meeting will happen. The second meeting will happen after 4 weeks, 5 weeks. So those are the things which are 50% really get stuck 50% deal which is there in the pipeline which Vasudha mentioned are in the space of we are in last 2. We have superior architecture and some deals we are new to the country. So we need to re-establish our ability to reference that country. So, some of the Nordic countries and some of the European countries where we don't have a footprint, our own footprint. It takes reference ability as a lever which extends the time they go for the reference check for the existing client.

We are in the last two I think we are reaching the last two with eMACH.ai. Most of the deal is almost 80%. Once we are able to apply for an RFP, we're in the last two. The last two are one of the other gate 50% deals. So 50% deal is after we have won the deal, there's a time to close. With all the tick marks of auditors, it's a big shift for all the Risk Committee members. So, Ravi, have I answered your question?

Ravi:

What would be, you know, the timeline of closure compared to, say, maybe 3-4 quarters back and today has it shrunk or is it getting if the deal size is the same? I understand that you're getting into larger deals will take time, but a similar size deal is it shrinking?

Arun Jain:

It's for us. It's expanding. So, there's no shrinkage for us even 12 months back, we were not shrinking. IT services company maybe shrinking, but we were not shrinking and 4 quarters back also. So, our valuable position is not shrinking.

Ravi:

And just one bookkeeping question. The subscription revenues had actually fallen Q-on-Q. I thought it was sticky business when you learned that our client was getting into a subscription contract. So, anything to read into? Why is it so?

Arun Jain:

The subscription revenue also flips on recognition system of subscription revenue because as per accounting policy, if subscription revenue of license is independent of the infrastructure, one can accrue full year revenue in a quarter. So those are the flips in their subscription revenue.

Ravi:

Okay. Thanks.

Praveen:

Thanks, Ravi. Next, we have Mr Rahul Jain from Dolat Capital. Rahul. Please unmute yourself.

Rahul:

Yeah. Hope. I hope I'm audible.

Praveen:

Yeah. Please go on.

Rahul:

Yeah. So, just a couple of questions; I think firstly to extend the part that we were discussing earlier on the SaaS reduction. So, is there an element of annualised booking in one of the previous quarters for us to have this number at this point? And secondly, is there still a GeM kind of revenue element which could have caused this thing in this SaaS revenue line?

Arun Jain:

No, there's no GeM revenue.

Vasudha:

There is no GeM revenue there. so but one or two projects, yeah, we had a high subscription revenue in the previous quarter because it's all depending upon volumes, right. So, if we have a higher volume, so naturally the subscription revenue will be higher. So that way we had some in last quarter. Comparatively, it was lesser in this quarter. That's it.

Rahul:

And have we observed this in multiple accounts and not one or two specific lines?

Vasudha:

Yes. Volumes will not be consistent, right? So, it will not be the same from one quarter to other quarters so will be ups and downs.

Rahul:

Yeah, that we understand. But this is a significant decline so like a 30% decline. So, that way, of course, it sounds pretty different from that context. And we, on the demand side, Arun Ji, of course, have explained in detail how some of the landscape is shaping up. But

from our specific pipeline perspective, what is the way to go back to 15 to 20% kind of growth journey? What are the challenges you see in the immediate future in case you know that it becomes a risk from the next 4 quarter perspective to go back to 15 to 20%?

Arun Jain:

The deals are there in the pipeline and I think it's a question of when it gets accrued. So, we just need some more patience in this area, which we should have taken care of in one or two quarters. But, we are looking for a positive number. I mean coming quarters because deal pipeline has been matured now.

Manish Maakan:

I think Arun, just to add what you said, if you look back in the past, also Q3, Q4 typically are better quarters for us. That's why the annual we say. So, we just got to watch that out.

Arun Jain:

Because it's better like America and Europe, most of the budget cycle is Q3-Q4. So, the budget cycle of America and Europe is linked to the budgeting cycle. When we have more deals in this part of the world, Asia Pacific, it's Q1 and Q2, which are also good. But Q3 and Q4, when we move our focus to America, will be better in Q3 and Q4. Because their decisions are budget cycle decisions and planned decisions, while in Asia, decisions can happen anytime.

Rahul:

Understood. And you know, one of your competitors, Oracle, they've been witnessing a significantly higher value of cloud deals in the total license fee that they are signing. And our conversation suggests that they see significant traction from the cloud deal perspective. So, is there something like that our positioning in those kinds of deals is slightly different, and that's why we see the slight difference from the momentum difference? In the last couple of quarters versus what Oracle is probably delivering right now?

Arun Jain:

Yeah, Rahul, Oracle has the advantage of 4 deals of 20-year-old deals which they are migrating to the cloud. So, they are when I look at the study, the new wins versus migrating wins are the upgrade wins. So, when they upgrade, they are upgrading on a cloud. So that's a tailwind that is available with them. Rajesh mentioned Santander, we upgraded, and Otto, we upgraded. So, whenever we upgrade the client, you get a higher value and pricing for the deal. We are still not as big as Oracle's financials on the existing clients, which are more than 10 years old.

Manish Maakan:

They are also trying to leverage the lost ground on cloud computing by subsidising some of these deals on a cloud basis.

Arun Jain:

Even Oracle is subsidising.

Manish Maakan:

Yeah, Oracle cloud they say comes at the same price we are in competitive bids. They say whatever is the other person's bid, our bid is along with cloud. So, they need to show cloud growth because that's where they're losing out with Amazon or Microsoft.

Rahul:

Understood Mr. Manish your point and sorry, Arun ji, if I missed the comment because you were mentioning something around the guidance part. So, since Manish is saying that the H2 could be good for some of your bigger markets. So are we still commenting on our annual guidance for this year or we are saying for now, we should be, you know, skipping that for now?

Arun Jain:

You want to pinpoint, but we don't want to give any more guidance with the kind of volatility that happened in the deal. So, we want to avoid any guidance. What we want to do is commentary on the quality of the business and the conversation quality of the business. This quarter and quarter pressure is unnecessary and depletes our energy at the company employee level. They feel that suddenly, share prices move up and down. Our momentum, which is there in the market, feels positive right now. So, we don't want to like to look just as a mirror for lines for guidance. So, we don't want to give guidance now, but we are very positive and healthy about it. Still, growth can be there for this year. So don't worry about that. So, how much growth can be there depends on out of these 18 large deals which are there, how many we can close, which is almost cross the gate of the 3rd gate or 4th gate they've crossed.

Manish Maakan:

We genuinely feel responsible for the growth we have to deliver. It also balances medium to long term. There are challenges I could close deals with by dropping prices. We are driving the right value and right margins for the organisation. By expanding the footprint, the most beautiful thing is now cross sell of all product lines into large tier one banks with GTB really won them early. There's a lot of effort on their AI is behind us. It's just two quarters we have come off GeM. And H2 is always better than H1. These are factual statements. I'm saying

none of this is an emotional comment. I think we need that confidence and support of each one of you on this journey. We've enjoyed it. We look forward to that.

Rahul:

Yeah, it's definitely heartening to hear that. And we are sure in last 7-8 years, Intellect has been the fastest growing in this category. So, we don't have any question around it. We're just trying to understand the current state of things. Best wishes for the time here. Thank you.

Manish Maakan:

Thanks for appreciating that.

Arun Jain:

Thank you, Rahul.

Arun Jain:

Can we close the call?

Praveen:

Arun, some four more are there.

Arun Jain:

Okay, let's extend it by 10 minutes.

Praveen:

Thank you, Rahul. Next, we have Mr Rohit Balakrishnan from ithought PMS. Hello. Rohit, are you there?

Rohit:

Good evening, Sir. Am I audible?

Praveen:

Good evening. Yeah. Please go on. Yeah, you are audible. Please go on.

Rohit:

Yeah. Good evening, Arun, Sir. So, Sir, just a couple of questions. So, you, in your opening remarks, talked about distribution. Actually, we are focusing a lot, and even in the last couple of calls you've been or the last 3-4 calls you've been talking about. So, at this point in time, is it possible to share some quality quantitative numbers in terms of how many deal wins are coming from, maybe in this quarter or in this H1 or from the distribution partners or in terms

of value, anything that you can share? Out of the ones that you've been talking about where you are very confident, or we are sort of moving quite forward in terms of getting the deals, have they been facilitated by the distribution strategy that we have gone, if you can share?

Arun Jain:

Yeah, I think. We will not be sharing the number because there are multiple partners involved in it, one closing the deal, so giving a reference to some deal where there will be a GSI will be involved. A consulting partner will be involved, as will Microsoft and AWS would be involved. So, all three partners will be involved in creating a trust circle with the customer. So sometimes it's a direct GSI who is becoming a front end for me. The second time, he's been providing comfort, which I have mentioned when you're in a new country and your reference ability issue. Trust anchoring comes when the customer talks to one of the consulting partners, one of the GSI, one of the scalars, or cloud scalars. If they heard the name, it would help us win the deal and provide comfort because he loves technology. But we are new in the market compared to the many other players like Temenos, which is 30 years old, and Infosys, which is 30 years old. We are new in the market. That's where this ecosystem is working. So, we're not able to specify separate line items of distribution deals, but the network effect is happening now.

Rohit:

So, I mean, so if I look at our and I've been tracking our company for some time now, almost six to seven years or even more. So, Sir, if I look at, let's say, over 2016 or 2017 till, let's say, 2023, we grew about 15-16% in terms of our revenue, even if I exclude GeM from that. Right? Over this time, I mean our products have become mature in the first journey. It was GTB, then GCB, and now even insurance and wealth are getting again. Geography-wise we are also getting more and more traction in advanced markets. So, forget the immediate issues because of either GeM from the revenue base going away with distribution tailwind also coming and is getting more and more. I mean, the last 4 or 5 years, or as I said, 6-7 years has been around 15%. If I take a longer term view. Maybe 3-4 years is it? Is it right to say that we will probably improve that growth rate, given that, on the headwind side, there are issues in terms of geopolitics, slowdown, etc.? So, I mean, how do you see that?

Arun Jain:

I think the way you put the question across is also very nice of 6-7-year traction. How we get it and in spite of all those headwinds of Brexit and all those issues that happened during the past that, we can't predict that. But around a 15 to 20% growth rate, I think we are all comfortable for the next 3 to 5 years. Because this technology is available, it is meant for a 20% growth rate. Specific year-specific quarter, but we're not able to look at it. But if you say

15% growth rate year on year for the next 4-5 years, our margin growth will be 30-40% year on year. So, EPS growth will be 30-40%.

Rohit:

Yeah, right. So, actually, that was my second question. I think I also asked this question during the last conference call. I think the first question that Vivek asked, I think 20%, as you also said 20% we are anyway doing, and in the last call, I had asked that the journey would be closer to 30%, and you said 6 to 8 quarters. And in this call, you're saying that maybe we'll have to invest given the opportunity. So, are you still confident that over 6 to 8 quarters will get to that 30%, or given the investment of \$ 20 million, maybe there will be some delay?

Arun Jain:

I think I'd like not to comment on it. Let the time tell. Tell us how the market will behave and how we'll work it out. But you have seen some 5-6 years, so improvement can happen because it's all depends on license number. Our costs are now stabilised. Last year and last quarter was 483 Crs. This time it's 477 Crs. So, the total cost is 6 Crs lesser than the last quarter. It may go maybe 495 to 500. If our revenue numbers go to 656 to 675, suddenly, the EBITDA number will be much higher. So, all these are calculable numbers for you, Rohit.

Rohit:

No, Sir. Of course, license. I mean, obviously, if we win the deals, that putting level will definitely come. No, I was actually asking, I mean from a cost point of view and from an investment point of view that you said that.

Arun Jain:

Only sales investments are more here.

Rohit:

Okay. Ceteris paribus, I mean, assuming the deals there is no delay, etc., I mean, that's a big assumption I'm taking. In that journey, 6 to 8 quarters or probably 10 quarters, the margins you think I don't want specific numbers, I'm just trying to see directionally we are getting towards that number of closer to 30% margins, or is that still, I mean given what you see more opportunity?

Arun Jain:

Yeah, definitely. 30% margin. Directionally 3 years from now. We are definitely there.

Vasudha:

If things are closed on time, yes.

Arun Jain:

Definitely directionally we are 30% margin business, yeah; otherwise we shouldn't be wasting time on us. So many of senior leadership is sitting here there.

Rohit:

Sure. No, no, absolutely, Sir. And so, this is one last question. At least two just numerical questions. One was that balance sheet-wise. Post GeM, we thought our balance sheet would probably become slightly better in terms of receivables and unbilled revenue etc. So, is that clean up has happened or is yet to happen. I mean, in a sense, has that gone away from the balance sheet? And if you can just give that, and second, I'll just quickly ask if it is possible to share revenue from advanced markets, a broad number that we have, let's say, for the last 12 Months. These are the two questions, Sir. Thank you

Arun Jain:

Yeah, yeah, we'll note it down, but the GeM hangover is still there. Yeah, there's that lot of money sitting correctly with the GeM Kitty. So, we'll park it that way. You know, the Government of India, where all the payments are now since we are not even in the system, we are struggling with the money collection from there. So, we have to do something different to collect that money. So, we need to keep it separate, and I'm suggesting that the CFO publish non-GeM DSO and then collection, which is there. So that will make the balance sheet stronger.

Rohit:

And so, there is advanced market revenue if you can share broadly.

Arun Jain:

Yeah. We will look at it. Thank you.

Rohit:

Sir, all the best.

Praveen:

Thanks, Rohit. Next Arun, we have Mr. Harsh Jhanwar from Avendus PMS. Harsh, quickly, can you ask the question?

Harsh:

Yeah. Am I audible?

Praveen:

Yes.

Harsh:

Yeah. I just have one question for Manish. Manish, our strategy analyst made one and a half years back. You mentioned the strategy where you know we'll be able to cross-sell more. So, in FY23, the product for the customers was 2.9, which we were supposed to take 4 per customer by FY26 and increase the number of clients by 101 to 150. Hence, in the process, increasing market share by 2.9 to 6%. So, where are we on that journey? How much have we been able to achieve?

Manish Maakan:

Thank you very much. Thank you for remembering like I gave, I think the strategy remains same, the results remain same. I briefly mentioned that 3 out of 4 deals in the last quarter came from existing customers in cross-selling, and 4th was also somebody who had bought from me before in their previous roles and lives. So that continues to win. I will share the specific statistics more. What I'm feeling far better and more good, I would want to say, is those were limited to the GTB portfolio. Now, there's a lot more focus on all other products for Intellect with eMACH.ai. Our ability to execute and sell and for the customers to consume because we are in built into their environment. That is improving, and that's what you will see a lot more success on. For the next 3-4 quarters, you will hear a lot more cross-sell of other products in this portfolio.

Harsh:

I understood. And thank you so much.

Manish Maakan:

That may be one of the reasons we are saying we are bullish about the Americas and Europe. AI is one enabler. This is second. We've established the proof point of our strength of core banking. The first one is difficult, but the number of wins on core banking independently. We have also executed in Europe in the last few quarters is further adding to that strength.

Arun Jain:

Actually, the strategy. Yes, we look at the strategy, first GTB, then GCB, then AI. Then we look at the strategy first, Asia, then Europe, then America. So, in the US, we are only spending time just 2 years back. So, it's growing step by step, and that's the very calibrated strategy for the investor with the way we are approaching the market, and that's how we

prepared eMACH.ai to cater to the US market because the US is the Mecca. If you have a billion-dollar company, the US has to give us \$300 million from there.

Manish Maakan:

Yep. And if you look at last 2 quarter results, we are saying the number of deals from US, you could go back and see is that a significant number or not?

Arun Jain:

Okay. Next?

Praveen

Next, we have Mr Rohit P. He is an individual investor.

Rohit P:

Thank you for your opinion. Like some of the other callers, I have been following the business for six or more years. And I mean, I was lucky to see the Design Center also. Mr Malik had very kindly shown it to me. So, my question is on the trajectory we are on in terms of distribution, I mean in the initial remark, you mentioned that we are in the phase where we can finally let go of implementation. I mean, at least my study of various global leaders in the product space indicates that when they let go of implementation and focus on product development and selling primarily, that's when the growth really takes up. Implementation is a large chunk of the work because you want to control the quality in the beginning, but once that is done and you trust others to do the implementation and the growth really takes off. So, could you give more details here in terms of what proportion of our business is self-implemented versus outsourced and going forward over the next 3 to 5 years where do you see this number going?

Arun Jain:

So, I think we are doing it jointly with the partner. So, when we are looking at IBM or Accenture, we are working with them alongside them. So, they also have a revenue. We also have revenue from that. So, there is one portion of that business. Our focus will be that in if it's the 5 years from now. We want to maintain deep customer relationships ourselves. So, that is a deep relationship that we are talking about, with 35 accounts with \$ 20 million potential each.

For those accounts, we would like to see that there are deep relationships and deep margins. That strategy will be different from a normal product layer because we would like to add strategic value to the client of those 35 accounts. Well, the rest of the banks, which are out of 1000, are looking at it, and out of 500 insurance companies, we are looking at it. There, we are looking for significant partnership expansion. So, that's a dual strategy over

here I would like to suggest to you. Percentages are too difficult right now to predict. Your target is 20% of partners' revenue in the next 3 years, which would be a good benchmark for us.

Rohit P:

So, when you say 20%, is it on the overall Intellect level?

Arun Jain:

Yeah. Intellect level.

Rohit P:

OK. Thank you. That was helpful. So and the second question, see, I mean again, as you indicated in this call because we are not, we cannot easily talk to the customers in terms of the product that is implemented, and because we're not part of the company itself, it becomes difficult to figure out the trajectory and we always have to sort of wait for con calls and understand what is happening. So, are there more metrics which give us a better understanding? I mean, I don't look at quarterly, but the LTM angle says we have not done well this quarter, which is for temporary reasons, of course. But I mean, it is offset by the fact, as you said, that in many deals, because of the delay and closure, we are in the last two or three levels. So, is there more? Features around that that can be shared, which, along with the numbers, gives us a more holistic picture of where we are at this point in time, in terms of the number of deals where we last 2 or last 3. So is that something that is possible? Otherwise, it gives us an incomplete picture, and we are not able to read the right conclusions.

Arun Jain:

Yeah, Rohit, a lot of numbers we can't share just because competition is there. So, the problem is all the investor numbers are competition tracked. We have seen whatever you're sharing in investor conference are going to competition and next time the strategies change. So, we are very guarded right now what should share what not to share. We don't mind sharing with you, but the question is it's a public domain.

Rohit P:

Understood, Sir. Fair enough. Yeah, that's absolutely.

Manish Maakan:

This is an alternate resource for how technical analysts assess us. They look at both qualitative feedback and assessment of products, as well as who is the best-selling product. So, there are enough data points from third parties which you can also access.

Rohit P:

Yeah. Thank you, Manish. Sir. Fair enough, the analyst and analyst coverage reports are definitely helpful. And so my last question basically is if I see you over, I mean if you can help me understand the last 2 or 3 years we've talked about how we are reaching the deal ends. But we still have, let's say seven wins this quarter, five losses. So, in general, how has our win-loss ratio been and how has our trajectory been to reach the last page of different contracts over the last 2-3 years? Is that something that you could discuss in the call?

Arun Jain:

Not on the call. Let's see. That will be difficult to discuss. It's too many things that are there in this last. Sorry, we are just running out of time.

Rohit P:

Thank you. Thank you.

Arun Jain:

Yeah.

Praveen :

Thank you, Rohit. Arun, we are done with this, but there only 2 repeat questions. Can we take it or can we close it?

Arun Jain:

No. Thank you. Yeah. Why can't you send it to me? Happy Diwali to all the investors.

Praveen:

OK. Thank you everybody. Vivek and Rahul, we can send your questions to me and then we'll take it forward from there. And thank you everybody for attending the call today. Now we are closing it. Thank you.

Vasudha:

Thank you.