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To,

The Manager,
Corporate Relation Department
BSE 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

Scrip Code: 532326

Symbol: INTENTECH;

Sub: Transcript of Earnings Conference call

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the transcript of the Q2 & H1 FY 2024-25 Earnings Conference Call held on November 06, 2024.

The same is also uploaded on Company's website: <https://www.in10stech.com/Investors>

This is for your information and records.

Thanking you,

Yours Faithfully,

For **Intense Technologies Limited**

Pratyusha Podugu

Company Secretary & Compliance Officer





Intense Technologies Limited
Q2 FY25 Earnings Conference Call Transcript
November 06, 2024

Management:

Mr. C.K. Shastri, Managing Director

Ms. Anisha Shastri, Director

Mr. Jayant Dwarkanath - Director

Mr. Nitin Sarda, Chief Financial Officer



Moderator	<p>Ladies and gentlemen, good day and welcome to Intense Technologies Limited Q2 FY25 Earnings Conference Call.</p> <p>As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.</p> <p>I now hand the conference over to Ms. Richa Singh from CDR India. Please go ahead, ma'am.</p>
Richa Singh	<p>Thank you. Good afternoon, everyone, and thank you for joining us today on Intense Technologies Q2 and H1 FY25 Earnings Conference Call.</p> <p>Today, from the Management, we have Mr. C. K. Shastri - Managing Director; Ms. Anisha Shastri – Director; Mr. Jayant Dwarkanath - Director and Mr. Nitin Sarda - CFO of the company.</p> <p>Before we start, please note that the statement made on today's call will be forward-looking in nature. A note to that effect has been included in the earnings release of the company, which is available on the stock exchange and our company website.</p> <p>I would now like to invite Mr. C. K. Shastri for his opening remarks. Thank you and over to you, sir.</p>
C. K. Shastri	<p>Thank you, Richa. Good afternoon, ladies and gentlemen. It is a pleasure as always, to interact with our stakeholders for this financial result for H1 of FY25.</p> <p>I am very happy to inform you that we had a year-on-year 44% growth from last year. Last year, we had revenue of Rs. 56.21 crore compared to this year Rs. 81.21 crore. It is a significant growth of 44%. And even in terms of EBITDA, there has been a growth of 39%.</p> <p>Last year, we had Rs. 11.67 crore for H1 and Rs. 16.27 crore for 24-25. These numbers are very encouraging and it is a proof of whatever strategies we put in on project Butterfly is paying off. And we are investing in a lot of high-end Technologies like AI, Big Data and MLOps.</p> <p>I would hand it over details or detailed operations to be addressed by Anisha Shastri and CFO and we are there to take all your questions thereafter.</p>
Anisha Shastri	<p>Thank you so much, Mr. Shastri. Good afternoon, everybody, very happy to have you all on our call. I hope you are having a fantastic festive season. I understand that there are quite a few of you on this call today who are joining us for the first time, so I will give you first a quick brief of what we do as an organization and then I will head to my operational updates.</p> <p>So as an organization, we are a platform-driven services company. Our strengths lie predominantly in centralized communication governance, data and managed services using our low-code platform. So we have IP assets, we have platforms, strong platforms that have been tried and tested to India scale and we use these platforms to deliver services to customers in BFSI, Telecom and we recently opened up government last year.</p> <p>I will give you a little bit more of use case based context subsequently, so you understand just what we do with our platforms. We operate in across 4 continents and we have recently also reopened the US operations for us. We sent one of our strongest salesperson from India to open up that geography for us and we also signed on a very well-known personality in the BFSI industry in the US with great</p>

connections to help open doors for us. And we are hoping that this change in strategy will help bolster our journey towards opening up the US in a big way for us.

This quarter, I am happy to tell you that we added a new customer in the insurance vertical in India. We added one new logo in the US as well in the tech space for managed services and we converted one of our existing engagements into a transmission driven engagement as well. I will tell you a little more about that subsequently.

In terms of project Butterfly, the ones joining today may not really know what the significance of this is, but about 1-1/2 years ago, we set forward and apart which said we have so many large logos to our credit in the country. We work with some of the largest private banks, insurance companies, Telcos, etc., but we are not really able to leverage these relationships to fund these accounts better and provide more value to our customers. And so the birth of project Butterfly basically getting out of our cocoon and turning into a beautiful butterfly.

The significance of this was threefold. One is how can we provide more value proposition to our existing customers and thus increase our wallet share from our existing customers. Two, how do we open up operations across the western parts of the world where margin profiles typically are better and third, how do we bring in efficiencies and processes into our existing organizations so that we can deliver more effectively, more agilely as well as more profitably to our customers. I am happy to inform you that on all these three parameters, we have seen good progress. We added a few green shoots last year in order to increase our bouquet of offerings to our customers. In general, by virtue of working with a lot of large enterprises, we have always had very strong data management capabilities, but those were usually just passed into our communications offering. Today, we offer it as a separate managed service as well to help companies improve the quality of their data so that they are then able to leverage that data to cross sell, upsell to their customers better and also stay compliant with the regulations that SEBI, RBI, etc., have for banks, IRDA, etc., for insurance.

We also added government as a new vertical. We never earlier had the muscle to be able to take on government as a vertical because in government you need the pockets, you need to have the patience to be able to wait for your receivables to come in, you need to have money to give performance, bank guarantees, EMVs, etc., but we are very strong on our cash position and this has given us the ability and the appetite to be able to take on government as a vertical. And I am happy to inform you that that has also taken shape in a great way. You are seeing a result of all of these efforts in our numbers over the last few quarters.

In addition, we also wanted to see how we could expand on our communications options. So today we do enterprise grade communications for a lot of large logos that you may be associated with on a daily basis, whether it is for life insurance, whether you are banking with them, credit cards, whether it is returns that you file, the phone bills that you receive etc. And our idea was to see how we can build upon that and how we can provide additional, we can expand on this value proposition, so that we also get into the transmission services space.

I am happy to inform you that we stepped foot on this a quarter ago and last quarter, we also added a couple of other customers of ours through these transmission services engagement. As such, our green shoots are taking off steadily, healthily. On the government front, our focus has been, so the Central Government has given out certain large budgets to state governments, to ULBs for IT enablement, so that there are smart city projects running, there are Swachh Bharat projects running, so urban local bodies are basically funded by the center and the state to run these projects and also for IT enablement to run these projects successfully. So we have been looking at opportunities in the government space where we can use our platforms to deliver automation, to deliver citizen services, etc., to various states.

Another space in the government sector that we are looking at also is the education vertical. You know that the government last year came up with the national educational policy. The government is also investing very heavily on skill development of citizens and providing opportunities to them therefore. And we being a homegrown technology company, we are well poised to help in this journey as well, we have educational ERP's that help in the maintenance and management of education institutions and we also have platforms which we use to deliver other dashboard, workflow automation, many

such use cases to education bodies as well. So in government, this is largely the focus that we have had.

On the communications front, like I said, erstwhile, we just used to be a designer company. We used to design large scale enterprise communication. Today, we are proud to say that we do the designing of the communications, our marketing automation platform decides who should receive a message, at what time, on which channel, so that the enterprise is spending less on engaging with their customers, but engaging more meaningfully with their customers. And then finally sending out the last mile SMS, the last mile e-mail, etc. We don't have gateways of our own, we partnered with other transmission providers to be able to provide a one stop communications solution to our customers that a little bit on what we do as an organization and where we are on the sales standpoint. From a people standpoint, we continue to invest in sales. Over the last two years, we have consciously cut down on hiring in any other part of the organization. Our only agenda was twofold, one to strengthen our sales and marketing which in the past we had been weak on this front. We didn't really have the luxury of being able to invest in marketing, invest in sales, but over the last year, we have very consciously increased our sales present, like I mentioned to you, we sent one of our top performers to the US, to open up the US market. We have added a few more sales folks within India last quarter. We have partnered with a couple of re-makers to help make introductions at top level so that we can farm existing engagements better and also open up new doors for us.

Another area of people focus was to see how we can make our organization more efficient and more lean. When we started the year off, we were almost 600 people and today, organically and through sustained efforts of ensuring we monitor performance and we reward appropriately. Today, we are about 530 people in strength and this is about the size that we would continue to remain for some time. We wanted to strengthen our leadership, bring in some professionals who have proven themselves, have proven track records outside with other similar sized organizations as well as people who can bring in some expertise from larger organizations, processes metrics etc. We brought Nitin - our CFO. Nitin, we brought him on early last year, which was I think Q3 of last financial year. This previous quarter, we also added a Head of Delivery who comes from the pedigree of being able to manage large scale BFSI deliveries for large SIs in the country and he is bringing in a lot of rigor in our delivery processes and the way we measure productivity as well. We also hope to add a Head of Sales again from industry pedigree, who can help bolster this growth trajectory that we are on to the next level.

Apart from this, we have not really added any other resources as such within the organization. On a marketing front, we have spent significantly on improving our brand presence across. We have participated in three events last quarter as well and just in the duration of the year, we have already participated in about 6 events and we hope to continue to do so. We had a fantastic event just last month where we were very well received by the Telecom Ministry as well and by some large Telcos in the country and we got quite a bit of PR for it as well.

On the US front, earlier we used to try to replicate the model that we had in India since we worked with a lot of large enterprises in India, we would try to see how we could continue to work and target large enterprises in the US as well. But we have now kind of reached that strategy. For the size of our organization, we believe we are better suited at focusing on regional bank, community bank. The US has about 10,000 banks and credit unions put together, so the canvas is extremely large and their smaller organizations are also 20 billion, 100 billion in size. So there is a lot of opportunity for us to tap into that market and that is our focus for the US geography.

On a products front, we continue to invest in innovations for those of you who have tracked us across the years, you know that we are otherwise a very tech driven organization. We focus on innovation, we focus on ensuring that we are able to provide that kind of value to our customers and that is why many of our engagements with our customers have stuck on for decades together with us. We continue to invest in generative AI, LLM and SLM based capabilities in our product. In fact, our latest addition to our products is on how we can improve content generation and make that automatic, so that customer communication, drafting, designing, etc., all of that becomes easier for the customer. So our road maps are typically focused around twofold, either on leveraging AI to improve the customer's value proposition or to improve the efficiency with which we deliver our services to the customers. And in fact, last quarter we were recognized by CELENT. CELENT is a very reputed analyst especially in the US European market. And we were recognized as luminaries in our customer



communication space. So this is also proof of the putting that our platforms are customer focused and focused on delivering value in the spaces in which we operate. This is largely the update that I had for you on the sales people and product standpoint.

Before I hand it over to Nitin for financials, I just wanted to walk you through a couple of case studies that we have delivered using our platforms, so that you get a better understanding of what we do as an organization and what we are capable of. The first piece is in the communication space, so communications is our bread and butter. That is our flagship platform and one of the leading banks in the country uses our communication platform to centralize their communications across all their systems. So if you take a typical bank for example, they probably have about 100-200 different systems operating across loans, across credit cards, across your CASA, your deposits, etc., every line of business has multiple systems and each of these systems otherwise individually communicate with customers. So the customer eventually gets inundated with a lot of messages, some may be relevant, some may not, for instance, if Rahul, hypothetically has received a 50,00,000 bonus, but you are still trying to sell him a 10,00,000 personal loan, which is kind of relevant to Rahul versus maybe Shweta has received, maybe been defaulting on her credit card payment for the last 10 months and you will still go and try to sell her a home loan. It is kind of impractical, the bank is spending a lot of money and communicating with customers, but it is not converting into anything.

In addition, when you have your communications spread across these hundreds of systems, it is so difficult for you to stay compliant and the regulators today are really cracking down hard on banks, insurance companies, etc. And they are tracking communications with customers to the team, right, so our platform came in as the centralized communication dashboard and with our platform, this bank was able to realize almost Rs. 100 crore in just communication spend savings annually. That is huge, right? Typically, if the bank was spending, say, Rs. 500 crore a year, saving 20% on communication spend is directly hitting their bottomline and directly hitting their market cap. So that is the kind of value that we provide to them using our communication platform and they get centralized visibility around every communication that they have sent. They know that when if they have already sent 4 promotional messages to Rahul, suppress the fifth one, or if Vivek has received regulatory information message from one system already, don't send it to another, suppress it or if Anisha has a 0 balance statement and don't send out the statement. So like that, we have really been able to save them on their communications spend and bring them that centralized governance across the entire bank. It is a pan bank incrementation.

The second use case that I would like to present to you is what we did with the large revenue body, erstwhile, tax filing used to be a very manual, excel based approach. Without a Chartered Accountant, you could just not file your returns versus to date, it is next submit done, so we have completely automated the entire tax filing process. Every form is about 400-500 screens with thousands of business rules and validations and computations put in that and we used Chartered Accountants to develop these funds, not engineers because engineers are smart, but not smart enough to understand taxation. So we brought in domain experts and they developed them using our low-code platform with 0 code, whatsoever. So we are able to provide such kind of managed services as well to government bodies, to private sector players etc. These are a couple of use cases that I wanted to just highlight. So you get a feel for what we do with our platforms and what we are capable of achieving in the future as well.

I will now hand it over to Nitin to just focus on a little bit on the financial. Thank you.

Nitin Sarda

Thank you so much, Anisha. Good afternoon, ladies and gentlemen, wish everyone a very Shubh Deepavali. I will briefly summarize the financial results and possibly provide contextual clarity for better understanding of our financial results.

To begin with, I would like to state that Intense Technologies has been consistently paying dividend for the past financial years. We expect us also implement that dividend paying policy consistently. To begin with, we see our Q2 H1 revenue results as very encouraging. All our efforts to broaden our spectrum and to add value added offerings as part of project Butterfly has started to yield traction and we can see that reflecting in our results in topline. As a result of this, we have been able to clock Rs. 83 crore for H1 of this financial year as compared to Rs. 57 crore for the past financial years. So that is the quite jump that we see there.



From a cost standpoint, there is a marginal increase in employee cost from Rs. 57.7-Rs. 16.7 crore. So there is an increase of Rs. 1 crore in credit cost. Although our employee strength remains at 524 as compared to 533 in Q1, we have added certain high compensation delivery leads and sale leads in MENA and US market. So that is the reason why we have seen that increase in employee cost and besides that we have also taken our compensation policy to provide a benefit of quarterly incentives to our high performing employees who are meeting their quarterly targets. So as we have achieved more of our those employees have achieved their targets. They have become eligible, so there is another reason for uptake in employee costs.

Secondly, I presumably understand you will have a lot of questions on the interpretation of increase in other costs. So as part of other costs, we have some items there, one is the professional consultant cost which has increased from Rs. 78 lakhs to Rs. 5.18 crore. So basically as part of our endeavor to provide value added services to our customers, we are leveraging on the expertise of domain experts from the client industry to deliver design customer centric approach in our ongoing engagement such as data services, education department, delivery services and all. So as most of this delivery has been completed for and these are all these costs for the domain experts is onetime, which is also linked to milestone based, delivery based, revenues accruing from our green shoots. So these are those costs and out of this total increase of 4.35, 3.75 can be attributed as onetime cost linked to those external expertises. Despite this increase in costs, we were able to comfortably achieve our desired margin for this quarter.

And coming to our cash flows, during the half year ended September 2024, there is a cash outflow from operations. Again that is the result of revenue approvals, invoicing to customers. I would like to bring to everyone's notice that we were working with an educational department for one of our state to deliver services from one of our platforms and as a result, that is a high value engagement that we are currently enrolling as part of our citizen service and most of these milestones were delivered in early and mid of September. We were able to invoice in September and as a result of that, we have ended up with large receivable position for the year ended September. But I would also like to state that we have collected those receivables in October. Currently, our receivable position has come back to Rs. 48 crore from my H1 sales and my DSO is in healthy range of 110 days as against 167 days computed based on September financial results.

I would also like to state that we have realized 40% of our receivables from September 2024 post September results. Now, I would also like to state that we have a very strong liquidity position for this, our bank balances in terms of bank fixed deposits and investment in mutual funds as part of treasury operations. We stand at Rs. 63 crore as against Rs. 60 crore in Q1. That is the update I have from the finance standpoint. We will now open the forum for further questions.

- Moderator** Thank you very much, sir. We will now begin with the question and answer session. The first question is from the line of Zakir Nasir, an Individual Investor. Please go ahead.
- Zakir Nasir** My first question would be to Mr. Nitin. Sir, about this professional cost you said that Rs. 3.75 crore is a onetime expenses, so without that could we assume that our profitability would have been Rs. 7 crore plus sir, that is my first question? My next question would be to Ms. Anisha, ma'am, could we see this quarter as a base for the next 5-6 quarters going ahead?
- Nitin Sarda** Responding to your first part of the question as to the onetime professional cost that we have incurred on hiring domain experts, so the thing is now these costs are closely related to the revenue that we derived from our green shoot segments, the data services and all. So the current engagements are ongoing with multiple customers and few of the delivery related milestones have concluded in Q2. That is where we are also seeing a corresponding cost to it. From a cost standpoint, there is again a lot of scope of work that remains to be delivered corresponding to it. We might see some expense populating in this particular bracket, but yes, this will be very close to the revenue driven costs.
- Anisha Shastri** And for your second question, we continue to work towards that same trajectory. I would not want to give any forward-looking statements, but yes, that is our effort.
- Moderator** Thank you. The next question is from the line of Aman Soni from Nvest Analytics Advisory LLP. Please go ahead.



- Aman Soni** Given that the company has achieved revenue of Rs. 73 crore in first half, could you provide some color on the expected run rate for the full year? Additionally, what is the target revenue for FY25?
- Anisha Shastri** So we closed H1 at 81 plus other income and we hope to continue the run rate, again like Mr. Nasir's question, we would not want to make any forward-looking statement, but our effort is to continue this momentum.
- Aman Soni** Secondly, can you also share some color in kind of contracts we have right now that are open for execution and what kind of visibility do you see for the next 2-3 days on the existence contract?
- Anisha Shastri** I am not sure if I understood your question correctly, but if your question is around which of our existing contracts is still under execution and whether you will see those revenues reflect in the subsequent quarters?
- Aman Soni** Yes.
- Anisha Shastri** So there is a healthy number of projects of ours that are recurring in nature. So quarter-on-quarter, we deliver similar services across. So that annuity will anyway continue. And then the newer projects that we added on in Q4 and in Q1, etc., some may come to conclusion in this quarter, but newer projects that we added on in Q1 will continue.
- Moderator** Thank you. We will take the next question from the line of Sumit Kothari, an Individual Investor. Please go ahead.
- Sumit Kothari** My question is to Nitin here. Nitin, you mentioned that we have debtors of close to Rs. 48 crore as on date, which is a significant recovery. So can you just tell me how much is BS as a part of this Rs. 48 crore in terms of percentage?
- Nitin Sarda** That would be around 12%-15% Sumit.
- Sumit Kothari** The second question is, we mentioned in the presentation that there have been some price increases in the managed services contract, so can you quantify the price increase and how it could affect the operating margins for the company?
- Anisha Shastri** I think you are referring to one of the engagements that we renewed the previous quarter. The increase is about 65%, I would say from the previous number to this number, but overall as part of our overall revenue number, it is probably 5%-7%. So it won't really significantly move our overall number.
- Sumit Kothari** And one more thing, we have added two more clients in the US market, so can you quantify the revenue potential from this client?
- Anisha Shastri** So these are engagements that have started small. We are delivering certain managed services for them. We hope to increase these. Once you prove your capability, then the customer will be willing to trust you more from another continent. So that is where we have started. Potential is good and the potential is also recurring in nature, which is a great thing.
- Moderator** Thank you. The next question is from the line of Pratik Dedhia, an Individual Investor. Please go ahead.
- Pratik Dedhia** So I have a couple of questions. In your opening remarks, you mentioned about winning a logo in the US, so can you throw some light on what kind of opportunity that you are getting? And also the second part to the same question in terms of what traction, are you seeing with the rate cuts coming in? How are the clients reacting or how are they showing interest?
- Anisha Shastri** So this is our managed services opportunity, application development and maintenance with a tech company, a tech client in the US. First, I think we are not large enough to be adversely impacted positively or negatively by any of the larger macros that happen in terms of rate cuts or elections or



- any of that. And our exposure to the US just yet is not as significant. We have only added about 3 customers now in the US, so we don't see any of those things have too much of an impact on our GTM business.
- Pratik Dedhia** And any color you can throw in terms of deal size or the contractual length of the work that you are getting in US?
- Anisha Shastri** So these are recurring in nature. I would kind of refrain from speaking absolute numbers, but the good part of it is that it will steadily reflect quarter-on-quarter, I think at least for 2 years.
- Pratik Dedhia** And in terms of the urban local bodies that you mentioned, so again similar question, what kind of projects and any contractual lends for the India business from government?
- Anisha Shastri** So urban local bodies spend basically in two different directions. One is infrastructure growth, like your pipelines, your sanitization, those kind of things. And the second side is on IT enablement to manage all of these projects, to have governance, dashboard, metrics, etc. So our focus is usually more on the second side. Of course, that also means that there are some projects where you have to provide associated infrastructure and then deploy your software build out, custom bespoke applications etc., for them. So we do that, but we largely focus around anything that has something software to do with it.
- Pratik Dedhia** And in terms of traction, so just if you can give some color in terms of government spending or government contracts, H1 of this year and H2 of this financial year, how is it different? So my question is more towards how say probably the heat wave or elections would have affected the contracts from H1 and to now H2, how the government is spending, some color on that?
- Anisha Shastri** So existing contracts, touchwood are not affected. I will say definitely that some items in our pipeline have slipped through quarters, things that could have been closed, maybe a quarter or two ago are still continuing to linger because of election uncertainty, etc. So it does have a little bit of impact on our pipe, but existing contracts that we already have and are in the process of delivering those things are not affected.
- Pratik Dedhia** In terms of bid pipelines, if you cannot share the absolute numbers, which number of contracts that you would have bid for or you would have shown interest both local government bodies and national government bodies?
- Anisha Shastri** I think that we are still in the process of streamlining our processes to be able to get to that kind of figure where we can give you quarter-on-quarter pipeline predictability. So now, I may not be in a position to give it to you as such, but visibility looks decent.
- Moderator** Thank you. The next question is from the line of Narayan Vyas, an Individual Investor. Please go ahead.
- Narayan Vyas** My question was, I saw that we have added some intangible asset, so what exactly it is regarding?
- Nitin Sarda** So I will take that question Mr. Narayan. So basically Intense has been spending on developing platforms which we use for deployment at our customers and also we provide our tech enabled services around it. So for the past 2 financial years, we have been developing this intangible platforms based on the feedback that we received from our customers, from our consulting team which directly deals with most of the RFP's, so all those expenses for the financial year to year ended 2022, 2023 and 2024 particularly, we had incurred close to Rs. 20 crore, Rs. 20.91 crore to be precise on intangible assets over this platform and almost more than close to five of those platforms which are under development, we have started to monetize them, we have deployed them and we are seeing benefits coming over. So that particular spend which was sitting in under development intangibles have been moved to intangible assets and we have started to amortize since we see corresponding revenue accruing to the company.
- Narayan Vyas** Another question of mine is that I recall we secured 2 logos in America, so should we expect some addition to it after the election results have been announced and might be some factor pushing it?



- Anisha Shastri** So definitely, that is our goal. In fact, we added a couple of sales resources in the US to now targetedly focus on that. I was also in the US last quarter. So we are definitely seeing some traction build up. The election results will really not have any bearing on whether we do business and how much business we do per se for our case, but we are definitely hoping for more traction in the days to come.
- Narayan Vyas** Well firstly, can you please provide geographical revenue bifurcation that will make it easy to understand the geographical landscape we are working on?
- Nitin Sarda** Point noted. Probably, we will see how we can incorporate that information.
- Narayan Vyas** And just last question that can you please give some guidance on the margin levels we are focusing to achieve because project Butterfly has created wonders for the company. Well that can be seen in the results, but what further can we expect on the margin side?
- Anisha Shastri** So with bringing in the new head of delivery, we have added a lot of tools internally, industry-renowned tools like JIRA, CRM, a better HRMS etc., to give us that kind of visibility into utilization metrics, efficiency metrics, productivity metrics, etc. So given that now we have gotten on to this path, I am positive that when we have this conversation next year, it will have a decent impact at the end of it, how much revenue margin we generate.
- Narayan Vyas** And the last thing that the current focus of ours is corely on CRM or are they doing some other activities too like for the Data and Cloud part?
- Anisha Shastri** So we don't really do much on this CRM space per se for customer communications, if you are referring, then yes, that is a big space for us. Data is another big space for us. And so in data also, we focused predominantly around data management, data quality, data remediation, standardization enrichment like these spaces is what we operate on and data migration. We have done engagements where we have migrated data from on-premise systems to cloud, cloud based environments, etc. So we do that kind of work in data and the communication space we are anyway strong.
- Moderator** Thank you. The next question is from the line of Amit Ahuja from HG Hawa. Please go ahead.
- Amit Ahuja** My question was with respect to the CAGR growth in revenue, which I am seeing is a jump from Rs. 32 crore to almost ATM of Rs. 120 crore. That is a four-fold rise in revenue. But the PAT has increased from Rs. 6 crore to Rs. 14 crore like the revenue is growing, but not equivalent the PAT is not growing and other question was with respect to the fluctuation in the cash flow, so can you put some color on it?
- Nitin Sarda** Just to reiterate the numbers that you have stated, for the half year ended, our number for the last financial year stood at Rs. 56 crore, which has increased to Rs. 81 crore. That is the increase in the topline.
- Amit Ahuja** Sorry to interrupt, I am talking about the last 10-12 years, the CAGR of revenue is good, but the CAGR of profit is not good?
- Nitin Sarda** That is a very broad question to answer in terms of timeline because 10-12 years would encompass 3 different business cycles and we are as a company, we have also evolved as a company wherein we used to primarily deal with CCM with licensing and ANC at some point of time to bringing in new platforms in early 2019-2022 where we are today wherein we are focusing on managed services and trying to come up with transaction based business model. So what I can definitely tell you is that at this point of time, the objective of the company is to improve customer stickiness so that we are able to provide the services, improve our stickiness to them and the cost optimization is internal part of it. And we are very confident of optimizing cost as we progress along our journey.
- Anisha Shastri** And what I would also like to add is, if you look at maybe 5-10 years ago, we didn't really have the appetite to invest in sales and marketing versus today, we actively invest very heavily in sales and marketing both, so some of the margin shrinking that you are seeing is also because we are now our risk appetite to invest in growth has increased as opposed to earlier.



- Amit Ahuja** And the other question was with respect to the fluctuations in cash flow?
- Nitin Sarda** So from a cash flow standpoint, our liquidity remains strong and stable for the first quarter ended, our cash flow liquidity base stood at Rs. 60 crore as against Rs. 63 crore for the September quarter. So from our liquidity standpoint, we are pretty stable, but yes, now as we on board lot of customers from different industries and particularly with government, there is always an element of delays in terms of being able to execute for reasons beyond our control, but we have formulated a very strong risk assessment and risk mitigation strategies so as to not really impact those at material levels.
- Moderator** Thank you. The next question is from the line of **47.08** **Marut Shah**, an Individual Investor. Please go ahead.
- Marut Shah** In the first half, we achieved around Rs. 81 crore. I want to ask how much of that is from the government sector and is that contribution onetime or it has some perpetual element like AMC etc.?
- Nitin Sarda** So from a revenue composition standpoint, from a government as well, we have different segments within the government, we have PSU's, we have urban local bodies and then we also work with some other state governments directly, but 25% of our revenue would be a good percentage, probably would be a better representative of our revenues coming from government segments. In terms of the recurring aspect of that revenue, yes, the contract that we have entered into our multiyear contract, so once we have implemented, our solution will continue to be there. There will be services surrounding it, there will be AMC's revenue surrounding it. So that will continue to approve. But yes, in terms of amount, it might be a little low and it is just not that. It also gives us an opportunity since we have established that credibility of being able to deliver those projects at such scale there will be repeat contracts that we expect to come to Intense. So that would also be an element besides the new business that we are gunning for.
- Marut Shah** Follow up question to that like going forward, are we thinking of increasing the share of the government business, in what line we are thinking about?
- Anisha Shastri** We are investing equally heavily in government as well as BFSI vertical.
- Marut Shah** No, why I am asking is because the government sector, the invoicing and the payment realization takes time and it hits the cash flow numbers. So that is what I am trying to do is like going forward will this share will increase, the government share?
- C. K. Shastri** It is a good question, sir. We are balancing it very well between the PSUs, government and the private sector, which we really look at it. Some of the opportunities which today that Government of India and other governments are the biggest, largest vendors of money in the IT, just the income tax alone is Rs. 4,500 crore project. Similarly, if you look at large projects like Passport and all of those, they are run into thousands of crore given to TTS and all of them. So they spend ability is good and the payments are also not that very bad. We are very choosy about these things. That is what Nitin was mentioning that the risk assessment has done, due diligence has done thoroughly before we participate in any of these deals.
- Marut Shah** I have one clarification from Nitin, like in the opening remarks, he said something about the receivables and it was built in September and some of the portion got realized in October. Can you repeat that part?
- Nitin Sarda** So basically, our receivable for as such if you look at our September financial results stands at around Rs. 77 crore, 40% of it we have realized in October, in month of October and from our sales that were there in H1 outstanding is around Rs. 48 crore. So our DSO is range bound to 100 and 120 days is what we had stated earlier.
- Marut Shah** So 40% we have realized in this quarter like?
- Nitin Sarda** In October.



- Moderator** Thank you. We will take the next question from the line of Pratik Dedhia, an Individual Investor. Please go ahead.
- Pratik Dedhia** Sir, I wanted to check in terms of H2, what are your primary growth drivers? So I believe in terms of focus area, it should be government PSU's, but any specific other areas that you could throw light, which probably could have been you working on doing the first half and then probably could realize in the second-half?
- Anisha Shastri** In fact, government PSUs is one aspect of it. Our core continues to remain BFSI, so a lot of sales bandwidth, marketing bandwidth, etc., we spend on the BFSI sector. So our focus would be around improving our wallet share from our existing customers, trying to upsell cross sell new thing to them, so that we are able to provide more value to them as a vendor, they can depend on without having to go multiple places. That would continue to be our core focus and the rest of the green shoot as well.
- Pratik Dedhia** And probably in terms of lumpiness, is there any lumpiness in terms of revenue or cost that you would have realized during the first half which could probably normalize during the second-half this year?
- Nitin Sarda** Earlier, we used to have Q4 heavy quarter. So this is something that we have proactively negotiated contract where we are able to recognize revenue across the quarter rather than recognizing at once in Q4. So we don't expect that lumpiness to be there in the current financial year.
- Anisha Shastri** Even our accounting for that matter expenses also we used to accrue a lot of expenses to Q4 and we received a lot of feedback from multiple investors like yourself and we worked consciously on that to ensure that we also budget for our expenses across quarters, whether it is incentive, variable payout, whatever it may be, right, so we are trying to see that we remove the lumpiness as much as possible.
- Pratik Dedhia** And the other question I had in terms of project Butterfly, so in terms of these pending part of it, can you throw some color where we are? How much is it pending and overall yes, the numbers do reflect in terms of the margin improvement and scale, but from your perspective how satisfied you have been in terms of the project execution and what lies?
- Anisha Shastri** Your first part, did you mean spending or pending?
- Pratik Dedhia** Yes, both spending and in terms of any pending activities on the particular?
- Anisha Shastri** So our spends that we were focusing on were only around sales and we will continue to invest in sales even in this quarter. Even with your sales strength, you don't necessarily always get lucky in the first attempt, in fact, our founder keeps mentioning that, a senior reputed sales leader had once told him that if he wanted one good salesperson, he would hire 5 before he found that one good salesperson. So we will continue to invest in sales until we are satisfied with the kind of the strength and forces which we can go and approach the market. And that is the only area of spend really. All other spend very immaterial, like for instance, bringing in tools CRMs, and HRMS and project management tools, etc., these are not significant spend at all. And marketing is the other area where we consciously started spending more on events, on digital marketing, advertisements, etc., and that will also continue the way it is. As such, in terms of initiatives that are spending, I would say, we had started off with about 5 green shoots in mind. And maybe only three had actually taken off the way we would have hoped for them too. The other two, we found the markets are a little too crowded, a little too competitive in terms of prices and margins, etc as well. So we kind of pivoted out of wanting to continue to focus on those spaces and retargeted our efforts on the green shoots that are actually performing.
- Pratik Dedhia** And I have a follow up for Nitin. So in your opening remarks, you mentioned about incentives being given out on a quarterly basis, so wanted to check are these on the technical side or are these on sales or marketing efforts that have been achieved?
- Nitin Sarda** Sales, predominantly on sales.



- Pratik Dedhia** And how do you see those incentives going ahead in terms of the second-half, do you see them normalizing or do you see them being in the same range going ahead?
- Nitin Sarda** There are two aspects. One is the periodicity of payment, earlier the periodical payment that we used to do was on annual basis, but then we realized anyhow having it cost accrued and sitting in books. So there are two things, one is the payment that we do on a quarterly basis to our sales folk and in terms of our pipeline that we see we expect to continue the current momentum that we have gained in Q1 and Q2.
- Anisha Shastri** These measures were more focused on saying how you can improve motivation levels for sales folks. So when you incentivize on a regular basis, they also taste success, saves money, their hunger improved. That is kind of the direction.
- Pratik Dedhia** Just one last, how do you see that impacting in terms of the margins? So I know you are not providing any kind of guidance but some ballpark or some trajectory towards that?
- Anisha Shastri** This is already factored into what we had budgeted for the year. There is no addition, I would say.
- Moderator** Thank you. The next question is from the line of Sumit Kothari, an Individual Investor. Please go ahead.
- Sumit Kothari** Nitin, our stock is in periodic call auction and do they know any reason why SEBI has put the stock in that and by when can we expect it to....
- Nitin Sarda** As a matter of fact, we have been, so basically, I will give you the framework that SEBI has put in place. Unfortunately, irrespective of your standing in the market that since Intense has been listed for more than 3 decades, right? We are dividend paying organization, so there is very little that we can do. We have been having discussions with the authorities, but see, it is more, not the most of the eligibility criteria is more on the volatile side of the price, it is more on the volume side of the price and we don't really have any control over it. So I can definitely assure you by saying that the reason we have categorized in ESM is because of the volatility of the price that it has witnessed in the last few weeks before it was put into that category rather than we remain completely fully compliant with all the regulations and there is no deviation from those standards.
- C. K. Shastri** So to add to Nitin, Sumit, what we would want you also to help us is we have the marquee names, we do great work in technology, we helped large banks, reputed banks, reputed customers. If you see who's who are the customer profile which we have. We have been paying dividends for the last 5 years. We have deep pockets now to invest and grow in scale. Despite all these things, they say that this ESM rule is such that it can come out of it only if you cross Rs. 500 crore market cap, so this is chicken and egg story. I am planning to go to meet senior officials in the SEBI, but, however, if you have any suggestions to give reach us we are really welcome because it is a nuisance for all of us.
- Sumit Kothari** Absolutely, because it brings some suspicion on the company why is it in ESM because you are doing so good, you are like net cash company having fantastic numbers and it is so surprising to see that start giving ESM and not only continuous trade, so sure, I will be in touch with you. Nitin, my second question is, I know we are not providing any guidance for revenue and I also know that there will not be too much of lumpiness in Q4, but would it be fair to say that second-half would be equal or better than first half?
- Nitin Sarda** Yes, I can only say, it is safe to say that we will continue the momentum and if there is any upside, why not Sumit?
- Moderator** Thank you. We will take the next question from Narayan Vyas, an Individual Investor. Please go ahead.
- Narayan Vyas** When I rejoined the queue for two questions, which I have, if I may ask, Nitin, can you please name some competitors in the BFSI and in government space?
- Anisha Shastri** I will take that question Mr. Vyas. So across our platforms for different pieces of work that we do, we have different kinds of competitors like for instance in the communication management space, the



CCM space, we have competitors like Quadient, like Adobe, like NewGen. On the transmission front, we partner more with transmission service providers, so I wouldn't really share partners and competitors, it is a very commoditized world. On the data front, there are a lot of services companies that provide data services including the Big Four, EY and KPMG, etc., of the world as well. And on the low-code piece, there are a lot of American products like OutSystems, Mendix, Appian, etc., NewGen also has a low-code platform of their own.

- Narayan Vyas** And what about the government space, we have some competition in that too here?
- Anisha Shastri** In the government space, essentially you are competing with service providers essentially.
- Narayan Vyas** I will reframe it correctly, like what I want to ask regarding the government parties, do we have any procedures and all for gaining the government orders like they open some auctions bid for that or we, I want to understand the procedure?
- Anisha Shastri** Yes, 100%, all government contracts go through RFP procedures. You have to comply. They are either based on price or they are based on QCD, so based on a point system. So as long as you have a strong technical value proposition and your price is competitive, that is how you make the cut.
- Moderator** Thank you. The next question is from the line of Pratik Dedhia, an Individual Investor. Please go ahead.
- Pratik Dedhia** I just wanted to check in terms of the PSU or government contracts, so we see a lot of tech companies, as and when they win the order, providing those details on the exchanges, so wanted to check is there any confidentiality issue of you not putting it out or is there something else that I am missing out?
- Nitin Sarda** So we do actually have some confidentiality NDAs that we sign up, because of which we refrain from putting out in the public domain.
- Moderator** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, ma'am.
- C. K. Shastri** Thank you very much. As always, it is a pleasure to talk to all of you and your critical inputs will enhance our approach to the market and all that and we really welcome any input even otherwise you can just drop our e-mail to us, we are always available. Thank you very much.
- Moderator** Thank you, members of the Management. On behalf of Intense Technologies Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.

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