November 08, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE SCRIP Code: 543425

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
NSE Symbol: MAPMYINDIA

Subject: Submission of Transcript for Q2 & H1 FY2024 Earnings Call.

Dear Sir / Madam,

Pursuant to our letter dated October 17, 2023, please find enclosed herewith communication relating to Q2 & H1 FY2024 Earning Call. The said conference call with Institutional Investor / Analyst was held on November 01, 2023 to discuss the financial results of the Company for the quarter and half year ended September 30, 2023. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For C.E. Info Systems Limited

Saurabh Surendra Somani
Digitally signed by Saurabh Surendra Somani
Date: 2023.11.08 12:37:15 +05'30'

Saurabh Surendra Somani
Company Secretary & Compliance Officer

“C. E. Info Systems Limited (MapmyIndia) Q2 FY’24 Quarterly Conference Call”

November 1, 2023

MANAGEMENT:	**MR. RAKESH VERMA – CO-FOUNDER & CHAIRMAN, C.E. INFO SYSTEMS LIMITED.** **MR. ROHAN VERMA – CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR, C.E. INFO SYSTEMS LIMITED.** **MR. ANUJ JAIN – CFO, C.E. INFO SYSTEMS LIMITED.** **MR. SAURABH SOMANI – COMPANY SECRETARY, C.E. INFO SYSTEMS LIMITED.**
MODERATOR:	**MR. SHOBHIT SINGHAL – ANAND RATHI SHARE & STOCKBROKERS.**

Moderator: Ladies and gentlemen, good day and welcome to the C.E. Info Systems' (MapmyIndia) Q2 FY'24 Quarterly Conference Call hosted by Anand Rathi Share & Stockbrokers.

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.

I now hand the conference over to Mr. Shobit Singhal from Anand Rathi. Please go ahead.

Shobit Singhal: Good morning, everyone. On behalf of Anand Rathi Institutional Equities, we welcome you all to Q2 FY'24 Conference Call of C.E. Info Systems (MapmyIndia).

We have with us today Mr. Rakesh Verma - Cofounder and Chairman of the Company; Mr. Rohan Verma - CEO and Executive Director of the Company; Mr. Anuj Jain - CFO; and Saurabh Somani - Company Secretary. I will now hand over the call to Mr. Rakesh Verma for his opening remarks, post that we will open the floor for Q&A session. Thank you and over to you, sir.

Rakesh Verma: Thank you Shobit. Welcome to all the participants. This is Rakesh Verma. I hope some of you may have gotten a chance to look at our financials or what we have uploaded on the stock exchange.

Let me take a minute before I talk about the financial numbers itself. The Company did a Investor Meet in June of this year in Mumbai where approximately 150 of the Analysts and Investor Community participated. And we had laid down a roadmap of where MaymyIndia is heading, saying that we are working towards a Rs. 1,000 crores revenue. And also, the main thing we discussed on that day was how we will achieve it. We wanted to show you the path making sure that the market in which we are operating, at this point of time, with the products and solutions that we have, was based on Rs. 9,000 crores of market, and we want to achieve that Rs. 1,000 crores revenue. Now, since then, we have completed Q1 and now we have completed Q2 of FY'24. And the second thing we have always mentioned that for any period, please look at year-to-date performance, because that will give you the right picture, every quarter, no doubt about it, but also in conjunction with that, look at the year-to-date. So, when Q2 has ended we must look at the half-year of what we have been able to achieve this FY'24. And then if we have to compare that compare that with what was there in the half-year of FY'23.

<u>Q2 Financial Performance</u>

With this background, let me share with you the Q2 FY'24 again hit an all-time high. Half-year FY'24 delivered robust growth across revenue, EBITDA and PAT; with strong EBITDA margins at 43.2% and PAT margin of 33.1% for the half-year.

So, now when we look at the revenue growth for the first half-year, it was at a healthy 27.7%, I am talking about for the first half-year. Keeping in mind that quarter wise revenue growth can vary. It is best to see the growth on a year-to-date year-on-year basis.

EBITDA and PAT grew by 28.9% and 31.2% year-on-year respectively for the first half. EBITDA margins improved by 14 bps year-on-year to 43.2% for the half-year, with operating leverage kicking in across all the business units.

Cash and Cash Equivalents crossed the Rs. 500 crores plus mark at the end of the quarter. Now, if we just look at Q2 FY'24, our revenue from operations was Rs. 91.1 crores, making it a total income of Rs. 99.1 crores when you add the other income, if we look at a year-on-year the revenue from operations went up by 19.4% vis-à-vis Q2 FY'23.

EBITDA was Rs. 40.5 crores in Q2 FY'24 as against Rs. 30.6 crores EBITDA in Q2 FY'23, giving a jump of 32.5%. The EBITDA margin jumped from 40.1% in Q2 FY'23 to 44.5% in Q2 FY'24.

The PBT also accordingly jumped from Rs. 35.5 crores to Rs. 44.2 crores, a jump of 24.5%. The PAT jumped from Rs. 25.4 crores to Rs. 33.1 crores which is 30.3%. The PAT margin also improved from 30.3% to 33.4% for this quarter. And the cash which was Rs. 430 crores at the end of Q2 FY'23 jumped to almost Rs. 518 crores at the end of Q2 FY'24. Now, these are the numbers for the quarter.

Half Year Performance

Similarly for the half-year if we look at it, the revenue from operations for H1FY'23 was Rs. 141 crores and it has gone up to Rs. 180 crores in H1FY'24 which is an increase of 27.7%.

EBITDA which was Rs. 60.5 crores in H1FY'23 has gone up to Rs. 78 crores in H1FY'24, which is a jump of 28.9%. The EBITDA margin which was 42.8% in H1FY'23 has gone up to 43.2%.

PBT went up from Rs. 69.2 crores to Rs. 86 crores which is a jump of 24.3%. If I look at PAT, it went up from Rs. 49.6 crores to Rs. 65.09 crores in H1FY'24, which is a jump of 31.2%.

Other Financial Information

Now, the other financial information that we would like to share is always the talk between Map-led business versus the IoT-led business. Now when you look at that we feel very comfortable, and we are happy to share with you that the IoT-led business is continuously showing a better margin quarter-on-quarter. It was in Q4 FY'23 since when we started disclosing these numbers, the EBITDA was in IoT-led, it was 4%, in Q1 FY'24 it was 6.3%, and in Q2 FY'24 it turned to 8.2%. If we look at the Map-led business also, it was 50.2% in FY'23 Q4, it was 54% in FY'24 Q1, and last quarter which is Q2 FY'24 it increased to 56.4%.

So, all this basically one can say that in every part of our business, the margins are also expanding, the margins are improving.

So, with all this financial information, I would like Rohan to talk about where all this revenue has come from, and what is happening in the Company currently.

Rohan Verma: Good morning, everybody. I think we are happy that the growth continues to be broad based, be it both on A&M - Automotive and Mobility Tech, as well as C&E - Consumer Tech and Enterprise digital transformation.

On Automotive OEM, our volume continues to grow faster than industry growth, that basically shows that it's reflecting our growing attach rate of MapmyIndia's Automotive OEM solutions across all cars, two-wheelers, and even our commercial vehicles.

What's also interesting is this whole NCASE suite we talked about, our spectrum of solutions. We are seeing adoption across the spectrum, meaning that the two-wheelers, EV and ICE companies which are going live with our navigation software, but our wins also include for the first time a four-wheeler OEM, who has become a customer for line fit for IoT supply, that opens up a large opportunity. And then there is an OEM customer who we are providing a shared mobility software platform. As OEMs are looking to offer MaaS or Mobility-as-a-Service business models, our technology is now powering that. And also, the commercial vehicle space with a bus OEM we are providing a Connected Vehicle software platform. In the past, we have talked about Navigation, ADAS and Electric, but now C&S Connected and Shared is also seeing adoption. So, that's good in Automotive.

On Mobility, we continue to expand our business across sectors and across use cases. For example, a pretty large State Road Transport Cooperation has expanded it's business significantly with us for public transit, IoT-based monitoring and a consumer-facing app solution. And as well as in G-20 which is pretty prestigious event. The whole VIP cavalcade movement planning and monitoring was done using our IoT.

And then on C&E side, of course as we have said before, C&E revenue can be lumpy. So, looking at it quarter-on-quarter, not a good idea. But year-to-date, year-on-year it has grown 32%. The go-lives and wins span sectors, New Age Tech, as well as traditional. Lot of BFSI companies are adopting our solutions, multiple use cases, we elucidated that in the Investors Days presentation as well as Deck. And we have pretty large payments and FinTech conglomerates using us as an example for Territory and Beat Planning of their large field force, as well as Geospatial Analytics and AI for kind of market expansion. Large Ecommerce Company transporters, as well as large cement companies are using us for IoT-led logistics optimization. And a large steel Company is signing up for our Video Telematics for mine vehicles.

What is also interesting is Defense customers, we achieved revenue this quarter, a few of them. And so that is an important market segment for us, we want to and we will do more. This is the beginning.

And then on the government side, so many Digital Transformation Initiatives are happening. And we are well placed as a product and platform Company there whether it's in Housing and Urban Development, Town and Country Planning, Civil Supplies or the Electronics Development, as well as Smart Cities and Municipal Corporation, our Maps, IoT, Drone-based solutions are getting adopted.

So, that's going well on the B2B and B2B2C side. What was also pretty good highlight is this quarter, our B2C optionality started to open up. And we crossed the 10 million downloads mark on Android and one million on iOS. We were trending as the #1 App across all categories on iOS, not just navigation. And the #1 Maps app on Android as well.

And on the other side, that monetization we do with Mappls app gadgets and subscriptions with its full range, that's also going quite good. So, this opens up consumer for us as well.

And just to say for H2, we are quite excited about the opportunities ahead. For us especially Q4 and then of course beyond four to five years, we have kind of given the paths quite in detail grounds up how we will achieve this Rs. 1,000 crores revenue. So, overall quite excited about the time to come as well.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mr. Shobit Singhal. Please go ahead, sir.

Shobit Singhal: So, I have two questions from my side. First on the revenue side, C&E segment growth seems to be on low side this quarter, though it grew by around 33% in first half. So, I need to understand which sector in this segment like BFSI, FMCG or Ecommerce or Retail etc., which results into lumpiness in this business? And how do you expect second half for the segment?

Rohan Verma: Shobit, lumpiness depends on what type of contracts with which type of customers. You know we have a combination of these kind of Map data contracts, Map API, SaaS subscription contracts. So, I would say some of these contracts around BigTech and large Ecommerce tend to be lumpy. And that's why we don't look at it on a quarter-by-quarter basis. But overall on the year we see C&E kind of growing and these other kinds of contracts or agreements or transactions whether on BFSI, or Ecommerce, FMCG, Government, Defense, they continue to grow. So, we are acquiring more customers. And there is a large funnel of opportunities ahead for us also in H2, which is what is giving us that kind of confidence and excitement.

Shobit Singhal: And second question is on Ola, so I think revenues from Ola, I think it contributes around 3% to 5% of our overall revenue. And they are making their own maps and solutions. And right now they are our customers as well. So, how do you see the impact going forward from it?

Rohan Verma: See they continue to be our customer, they are still using us. So, some of these experiments happen where people try to build solutions, but we will see, whether they meet up to the standards of what consumers are looking for. If you see the way MAPPLS app, MapmyIndia maps are being adopted by consumers directly and the way so many OEMs including bunch of others, leading EV as well as the much larger ICE two-wheeler companies are adopting us as well as on four-wheelers and now as I said, even on CV side, we see pretty strong traction and customer satisfaction on Automotive. And in any case, they are less than 1%, it's an immaterial revenue, in that sense or trivial revenue, I would say, in that sense. And some of these things also we do, or we did when they were launching, to give them a support. I mean, we got specific requests from Bhavish that support us we are trying to launch a big initiative and we have done that. So, we are happy to keep advancing our maps into 3D, ADAS, HD, 360. And we think that this will be the solution that in the end OEMs will need, continue to need, to be able to offer a good solution to consumers.

Moderator: Thank you so much. The next question is from the line of Amit Kadam from Canara Robeco. Please go ahead.

Amit Kadam: Again the question is on the C&E, your comments on that particular thing, what is C&E, but like just wanted to check is there a competition in this particular segment? Like with whom you compete and how the business comes to you? It is like a case-basis this particular thing you do it for a customer just can you elaborate. The whole point I wanted to just check, how the business comes to you and then like, do we have to compete for this particular business, because if that growth fluctuates quarterly, is it just the underlying market dynamics is only leading to that rather than any competition adjustments.

Rohan Verma: So, see, there is probably we are by far, if only and by far the best map and data Company, map data product Company. So, when large companies want to have a All-India comprehensive digital map data, whether for the consumer facing maps applications or for their Ecommerce or others kind of Enterprise use cases, for that we are the Company of choice. The other competition would be companies like HERE or TomTom which are the global suppliers, but in India they have negligible share and whichever contracts they used to have over the last 10 years we have dislodged them. So, on map and data we are pretty much the only Company and if there is anybody else there are very small slivers of the offering than we have. Beyond map and data we have a very broad set of offerings when it comes to Enterprise or Consumer Tech companies, spanning APIs, spanning different types of software like Workforce Management, or Workflow Automation, or Geospatial Analytics, etc. as well as the whole IoT-based SaaS solutions. Every vertical, we provide a suite of use cases, we have BFSI, Ecom, Logistics, FMCG, on the government side, different departments, at Central, State or local level or the Defense. And so when we go to these companies, we are able to offer them an end-to-end, a pretty comprehensive suite of offerings which we don't find anybody else in the market being able to provide, they might provide point solutions.

So, yes, there is competition when it comes to each point solution, but as a bouquet of offerings and that to a Company which is full stack, in terms of map data, location data, then the software on top of it, then the IoT, attached to it Analytics and Drone, we don't find a competition. It's the nature of the business with C&E contracts which can cause in some cases lumpiness. And that's why quarter-by-quarter you might see variation. But otherwise, based on the transaction-based revenue, subscription-based revenue, those things keep going on. And that's what is generating the growth. So, I hope that helps you understand a little bit dynamics of our C&E business.

Amit Kadam: So, what I can get from this particular thing is that whenever our customer want a full bouquet or kind of thing then we are the only choice in the current times. But only like case-to-case basis or some if you break it down in that particular the value chain in smaller part then there will be some competition for each part.

Rohan Verma: And that's what our Land and Expand approach is. So, we enter the customer, if we have 10 or 12 use cases, at least we can enter with one or two and then the upselling happens or their own usage scale up happens. And that's the gradual growth that we see, like I used the example of that State Road Transport Corporation. There, it was a, we landed with one used case and their own usage has expanded. The case of the FinTech conglomerate, they were using us for maps in their consumer facing application and now they are using us for their Enterprise use case as well, for the Salesforce Territory Planning, Beat Planning management. So, that's how we have, we are able to get in an entry, getting an entry is a challenge in many cases like for any Enterprise Company, but once we enter over the next few years, we are able to continue to grow the business with these customers.

Amit Kadam: My second question is again continuing with the previous participant on the Ola thing, what I want to just check like what it takes for a new guy in terms of rebuilding this entire ecosystem. So, because right now as like the way we are in terms of use cases, but as things develop in India and then the usage goes up and it becomes so sizable for like a Company like Ola or maybe our own customers that they --. Why there is a need for a Company like Ola to create this entire ecosystem which may not be a part of their core, maybe kind of expertise, but then they could have easily outsourced and get it done. But then they are still going for it. And second is how much time it takes for creating or recreating such kind of ecosystem like MapmyIndia. So, eventually down the line five years some other Company wants to do it, then whether these guys will eventually lead to a incremental competition in this area in next five years.

Rakesh Verma: Let me try to address this. First, I would not like to address Ola directly, it's not fair on my part. What I would like to address is anybody. Now, if you think of anybody or anyone, it applies to us also. For anyone to get into any business how they want to address their core business, in the case of maps, or map-based solutions, it's very different than manufacturing something here and there. And from there, somebody is getting some data and hence that data can be used to make maps. That's available to hundreds of enterprises, where they get data through whatever ways they operate their core business, and they get the data.

The next question comes up to convert that data into Maps. Then the question comes up is to continuously keep updating the maps. Now, the situation is whether you do it on a real-time basis. So, all these factors, we understand over the last 20 long years, at least hundreds of companies tried to make maps. We have a long list of them, and what has happened to them.

Now the next part is there is a big moat factor, there is a big network factor and then there is a big reliability factor. And then on top of that map by itself doesn't become sufficient, unless you have a deep tech behind it to ultimately solve the problem of the customers. And every customer is different. So, these are the factors which is leading us or giving us the opportunity to keep succeeding and keep moving up. It's moving up in the value chain, using map in the core is the answer to somebody's success. And that's why we believe we will keep succeeding. And there may be at times some of these, the best word to use, as people might do experiments there might be a little bit of noise, and those factors will prevail. So, we keep a watch over it. It's not that we ignore it. We try to keep looking at what are they trying to do. This is the best answer I can give you.

Moderator: Thank you so much. The next question is from the line of Mohit Motwani from the Nuvama Wealth Management. Please go ahead.

Mohit Motwani: My question was in the first half you have grown around 28% on a year-on-year basis. Previously, you had guided for around 40% growth on an annual basis. So, which implies in the second half you will need to do around 52%. So, is that something that you are looking for in the second half or any color around that?

Rohan Verma: See I mean I think we are quite excited about the second half, especially Q4 in terms of the opportunities ahead. And yes, we are working towards this. And if you look at the customer acquisition we have done in the last year, those customers are building up. If we look at internally the funnel that we have or the order bookings that we have done in the first half of the year, I think that all gives us a fair bit of excitement for the second half. So, we are confident we are working towards it.

Mohit Motwani: When you say Q4 in particular I mean the revenue will start flowing through in Q4 like do you have any pipeline of projects that you expect to win in Q3, because you are specifying Q4 in particular.

Rohan Verma: I mean I think we are just trying to give a general sense of where we see the business growth coming in and where we feel, I don't want to get into specific of what will happen in Q3 or Q4. But just to give you a sense of what we as management are seeing.

Rakesh Verma: I think he is trying to address that question which you made saying that if it was 28% now, will it be 52% YoY over the second half, in that context he is talking about that we see certain things happening in Q4 and that's why he made that statement not that nothing is happening in Q3.

Mohit Motwani: One more question was around the, there is a big jump in your receivables if I look at the cash flow like if there is a negative Rs. 31 crores impact. So, is it anything to do with increase in the government contracts or increase in defense contracts, anything to do with that.

Rakesh Verma: No, let me address that I knew that maybe that question will come up. If you look at our receivables, in terms of aging and collection period, first is the September billing was quite heavy. So, naturally if that was heavy and they are not overdue, there is a typical normal course, 30 days collection period we use in normal course for normal customers. But overall if you see our receivables aging has been in the range of 60 to 75 days, depending upon when the billing has happened. So, in this quarter, we know, we are aware that the amount of billing was quite large in the month of September.

Mohit Motwani: The last one if I can chip in just one more. So, the IoT-led margin, definitely we are seeing an improvement in the last three quarters. Is it to do with the fact that number of IoT-led devices are being sold less and the SaaS revenue component is increasing which is driving this margin improvement? Or is it the number of IoT devices being sold remain very good? Can you give some color around that?

Rakesh Verma: It’s a combination of both, see how you position your product in the marketplace is the key. So, we are trying to position in the market the IoT devices with subscription more and more. So, that is leading to increase in the subscription which is a SaaS. And hence the margin is improving. So, that's our business strategy rather than just to sell the hardware as is and wait for a year or so.

Moderator: Thank you so much. The next question is from the line of Vimal Jamnadas Gohil from Alchemy Capital Management Private Limited. Please go ahead.

Vimal J. Gohil: Just taking forward the working capital question, so you expect this Rs. 89 crores to sort of normalize in the second half, that is the money will be received by the end of March. So, you should be back to that 60 odd days of receivables. Would that be a fair assessment?

Rakesh Verma: I can't exactly predict just like I said that in September 30th, the receivable aging is 71 days. Now, if the billing was large, quite a large amount in the month of September, it became 71 days. If it had happened in August, probably it would have been lower. So, again, what would be the receivable aging at the end of March is hard for me to predict. But I think we are overall saying that 60 to 75 days is the overall consideration we look at.

Rohan Verma: And in general, our collections as Mr. Verma said, our collections are going well. It's not that overdue is increased. Like we said we are positioned as a product and platform the Company, so I think in all that sense, things are going fine. Of course, we watch this, but we are not concerned about it.

Vimal J. Gohil: So, no risk of any overdues or any write-offs?

Rakesh Verma: No. I mean, if we are very conservative, as a matter of fact if you ask me that even when we feel that there is no risk, but if the overdue is there for more than 90 days or 180 days, in some cases we do try to make provisions and you will see it in the balance sheet. And that's on a conservative side, not on an aggressive side.

Vimal J. Gohil: So, just one more question on Ola, I understand you mentioned that it's just 1% of your revenue while I am not trying to harp on why is it 1%. But if I were to just look at so, on an annual run rate basis that would be about Rs. 4 crores of our revenue. And if I were to look at the sales of Ola, they sell about eight and eight and a half lakh two-wheelers per year. So, if you were to look at the revenue per vehicle that doesn't seem to be very high. So, is the assessment that the maps that are getting sold are partially sold to some of the vehicles not all the vehicles.

Rakesh Verma: No, okay, let me help you on that. As Rohan also said that it was at a personal, at a different level he had requested for support. At the point of time of launching, Ola had requested and made a special request, because even I was involved, I said fine if the CEO of Ola is making that request. Of course, we didn't know that he had other plans at that time. So, we did it. And it is not even 1%, let me put it is lower than that 1%. So, if we did some favor to someone at some point of time and now, we find that if they are there doing it, we are watching it closely; if they are going to become a competition or they will also experiment and then ultimately forget about it.

Rohan Verma: I will add my perspective on this. There are a lot of companies in the last 20-25 years, even in India, who have tried to build maps and even abroad. But if you look at it globally, there are very few companies who have actually ended up becoming a map product Company, which has been able to stand on its own. And those are extremely large companies. And even in some of the Big Tech, they have not even been able to externalize it as a third-party business. So, I mean, these are experiments people do with a very narrow set of data that they are able to collect and try to have some solution. But it's a matter of being able to sustain investments, which are quite large over time and not just money, but also a lot of technology. And then the whole use cases which are broad enough to ensure that the map is accurate, and stress tested in various ways. So, I don't think at this stage, we are concerned from a competition point of view.

Of course, we believe that all the customers would benefit from using our maps, because we continue to not just update it, but enhance it, provide more features. And you are seeing that epitomized in the MAPPLS app with so many different capabilities. And consumers themselves are voting by downloading it, in droves, in millions now. So, in that sense we think that OEMs will continue to use us, a few customers here and there will try. You saw Uber also in the U.S. attempt to create its own maps and now they are back to being what their core business is. So, these are things people try when they try to expand or experiment, but I think eventually they realize what is the right solution and what is the right partner, who is willing to be reliable and support over long time.

Moderator: Thank you so much. The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.

Anmol Garg: So, just have two questions, firstly, on the margin side so we have seen strong margin performance in 1H at upwards of 43%. While initially, we have guided for 40% margin range in FY'24, from that perspective, do you see investments that the Company would have to make in the second half that can bring down the margins in 2H?

Rohan Verma: I mean it's good we have this question of margins, because we want to invest. See the levels of investments are not just for the quarter, but also for the upcoming year and also for the longer term. So, there is different level of investments we are doing. We are a deep tech products and platform Company remember; we are building 3D maps now we call it 4D Digital Maps Twin. We are building different types of software, for the Automotive, as well as for the Enterprise markets. And now we have the Consumer app that is seeing traction as well as drones that we have to do.

So, there is different level of investments we want to make. Of course, we do these investments in a calibrated way. And the core business generating cash, generating margins, allows us to innovate so the Company can go into different orbit in the medium term and longer term to come. So, we will continue to do those investments. And good that in the first half we have that kind of margin question.

Rakesh Verma: Also understand that while the product and platform investments are happening across the Board, as Rohan said for different types of business units there is also investment, we parallelly keep making in operational efficiency. And that also helps us in giving us a better margin.

Anmol Garg: And secondly wanted to have your perspective a bit on the drone business. Currently, like you indicated that it’s currently a small percentage of revenue, but let's say in two to three years down the line how do you see this business to be, and in what all services that MapmyIndia wants to focus on particularly on the drone side of things?

Rohan Verma: Yes, see I mean drone business is going well for us. We continue to get customers. We are supplying drones to them. We are providing drone-based solutions to customers. We are able to provide this full package of Map, IoT and drone-based platform which allows people to map and see from ground as well as the sky and then get software solutions for various use cases, and especially useful in urban development for even tourism, real estate, manufacturing, mining. So, we are seeing a bunch of different use cases.

We are positioned to be able to supply drones and provide drone solutions. There is a large opportunity in the next few years with our drones. And we are putting full effort to do both inorganic and organic way of being able to cover the span of the drone opportunity, the way we have covered the span of map opportunity, or IoT opportunity, we want to cover a span of drone opportunity. Of course, it will not happen in day one or one quarter, two quarters and so the third pillar is something we are building for the medium and long term. But good thing is traction is happening and we will continue to see more traction in the time to come.

Anmol Garg: Are we also expected to manufacture drones as well or just provide services on the thing.

Rakesh Verma: Something that I can't comment today is what exactly we will be doing, but Rohan if you want to add.

Rohan Verma: See MapmyIndia is positioned as a Digital Products and Platforms Company, but you see that we have these investments in various companies in allied spaces which are doing things in a slightly different way. There is a standalone Company and then there is a group Company. So, we don't want to go into specifics. But if we see an opportunity, and we see value that we can create around Products and Platforms and then solutions on top of that, we evaluate that.

Moderator: Thank you. The next question is from the line of Dhavan Shah from AlfAccurate Advisors. Please go ahead.

Dhavan Shah: So, my question is on the map-led EBITDA performance. So, you mentioned that, well because of the operating leverage there is margin improvement during this quarter. But if I look at on quarter-on-quarter basis the revenue growth hardly Rs. 2 crores quarter-on-quarter improvement in revenue. And if I look at the EBITDA the same number has been improved. So, I am unable understand, how the operating leverage has helped us, in the map-led business.

And can you please share the revenue breakup between A&M and C&E under the map-led during this quarter versus the last quarter?

Rohan Verma: Three things, one is we shouldn't look at the Company QoQ, we have said year-to-date, year-on-year. So that's on the QoQ and year-on-year kind of. The operating leverage question is across the whole Company, I don't think, I don't know if it's a specific point. It's on the whole Company as a Products and Platforms Company and A&M and C&E splits we have given, in Q2 we got

Rs. 47.9 crores from A&M. And in H1 we got Rs. 89 crores from A&M versus C&E we got Rs. 43.2 crores in Q2 and H1 we got Rs. 91.5 crores.

Dhavan Shah: But this is for the entire business, right under the map-led what would be the A&M revenue and what would be the C&E revenue? And how the mix changed?

Rohan Verma: We don't give that split.

Dhavan Shah: In the C&E business under the map-led, is it safe to assume that we are maintaining roughly Rs. 30 crores odd kind of quarterly revenue run rate?

Rohan Verma: There is no split that we specifically give. So, I don't want to comment on specific numbers.

Rakesh Verma: See these splits are, can't be even predicted that easily. So, that's why it's not that we don't want to, it becomes difficult and any statement which can be maintainable. The business is growing across all sectors, A, M, C, E and also the consumer now. So, I think if we are able to achieve the growth or the revenue overall and also giving, are able to maintain a healthy margin 40% is what we had given the guidance, if you say that will it would get used up in some investment or it will not be used up in some investments if we bring operational efficiency, it's a matter of time.

Moderator: Thank you so much. The next question is from the line of Moez Chandani from Ambit. Please go ahead.

Moez Chandani: I had a question on the B2C part of the business. So, can you give us some idea of how you plan to monetize both the B2C app MAPPLs, as well as the investment that you have done in Kogo Tech Labs.

Rohan Verma: It's actually quite exciting, the B2C opportunity, although it will take some time to build up. Obviously, it starts with creating a large, engaged consumer base which is what we have been able to achieve and cross that milestone in Q2. On the back of it actually there is n number of monetization we would look at, in the time to come. First, obviously being upselling gadgets, products and subscriptions of our own via app or offline and online commerce of our own additional products to MAPPLS app consumers because these gadgets are usable, like the Dash Camera or the Trackers, or the Smart Helmet Kit, or the smartphone connected infotainment systems are all powered by this MAPPLS app by being at the center. And so these MAPPLS gadgets will be one form of and the subscriptions will be one form of monetization.

But beyond that, a bunch of different interesting advertising and additional commerce opportunities will open up. We will talk about that more in future quarters, not right now because we are building it up. But I think that is an exciting opportunity for both consumers to be able to discover and transact through commerce as well as discover interesting products and services in a hyperlocal way, that will be one.

And Kogo is super exciting. This is actually a travel commerce place where you can get best prices for travel bookings like hotels or flights or even car rentals or other travel related gear, by becoming a member and paying a membership subscription. And we are seeing the Kogo app and Kogo platform built out, there is an OE business that we do together with Kogo, to enable our OEM customers to increase gamification, loyalty and commerce, relationships with their consumers that's one side. But just on the consumer side, if you are tracking Kogo, you will start seeing a very new age map-based, but not only a map application, which is going to become a travel app and travel-based monetization on its own. And obviously, we will do integration between MAPPLS app and Kogo because you use maps for stepping out locally or through travel. So, this is a very interesting, exciting phase we are entering for the Company around B2C separate from the B2B and B2B2C business.

And finally, there is a synergy, the more B2C consumers using and enjoying our app, obviously, it has a good knock-on effect on B2B adoption and B2B2C adoption amongst consumer-facing apps, third-party consumer-facing apps, or automotive OEMs that's overall B2C.

Moez Chandani: My next question was on your margins especially in the IoT-led business. So, your sale of map data and services that contribution has remained constant from Q1 versus Q2, but your margins expanded by 200 basis points. So, what exactly drove this margin expansion since your subscription revenue sort of was more or less constant across the quarters?

Rohan Verma: You are asking about the IoT margin expansions, right not the maps --?

Moez Chandani: No, not the maps-led, yes.

Rohan Verma: IoT, it's a combination of product mix and choices that we are making about which products to sell and which products not to sell and operational efficiency. See there is many levels to growing the margin in the IoT business, we are quite bullish about it in the longer term. And so every quarter the execution on this IoT business is across different aspects. There is a SaaS income kicking in, that will have an impact. But there are also other levers to grow the margin steadily over time and that's why you are seeing this gradual improvement. And we continue, we expect to, we want to make this continual improvement in margin on the IoT business.

Moderator: Thank you. The next question is from the line of Sameer Dosani from ICICI Prudential Asset Management Company. Please go ahead.

Sameer Dosani: If you look at margins in IoT, what is the kind of, is there a range at a particular scale that you would want to retain IoT business? That's my first question.

Rohan Verma: Are you asking where we want to take the IoT range?

Sameer Dosani: Margin range of IoT business. Is there a margin range that you are targeting? And what scale do you think that will reach? And if you can clarify is there some seasonality in this business, like H2 is heavier etc.?

Rohan Verma: This IoT business is still in growth phase, we see pretty large opportunity. And so it's in an early growth phase. So, we want to keep investing behind that growth. The good thing is MapmyIndia has been historically pretty fiscally disciplined company, tight on execution, tight on operational efficiency. So, when we acquired the Gtropy, we merged our IoT business into that. Then every quarter there are things that we can do to create that same discipline or rigor that we have in map-led. Of course the terminal margin structures will be different in the two businesses, but we want to keep, we are like focusing on growth as well as on improving profitability. And so, it's a balance we are maintaining every quarter. I don't want to say till what time, till what level on what range, but obviously we still see growth potential in the margin structure besides growth in revenue for this Company, it's in early growth phase.

Sameer Dosani: So, margins should remain around this range for, till we are in a position that is how we should --?

Rohan Verma: I mean margin should remain, I mean over time, I am not giving a timeframe. But over time margins we would like to see improve also.

Rakesh Verma: Seeing the improvement already from 4% to 6% to 8%. We definitely expect and definitely understand that as the operating leverage there also kicks in, just like in map we already have the operating leverage. But in IoT, we still do not have that level where the operating leverage will kick in to provide a nice, very good arrangement, that's the best we can say at this time.

Sameer Dosani: My question was that, is there a scale where that can that operating leverage kicks in you think?

Rakesh Verma: Let me try to explain, before Gtropy came on board, they were at Rs. 8 crores of revenue, last year it was something of the order of Rs. 55 crores. And this time already you are seeing the IoT-led business for half year, is Rs. 45 crores to Rs. 46 crores, okay.

Sameer Dosani: Appreciate that. Now on the map-led business if you look at map-led business growth rates that has been hovering around mid-teens for now on a YoY basis. How should we think of that, I mean the business, ex of, I am excluding the IoT business, that business growth has been around mid-teens. So, this is how we should think of the growth for next two, three years or if you can shed some light on this?

Rohan Verma: No, I wouldn't think of this as the terminal growth rate at all for the next few years. I mean, it's going to be more than that. And so that's the mix over four or five years we have tried to give a picture, what it will become. I think we talked about in auto we see 4x, in corporate we see a 5x, in government we see a 6x, from a lower base government will be less than 20%. In IoT we see a 10x. So, I think consolidated is how over the next four or five years 35% to 40%, different contributions from these.

And to be honest, there are use cases that we have or technologies that we have, whose market isn't necessarily there even yet. So, over the next two, three years, things might change also in a good way. And so we are in this not just quarter-by-quarter, we are doing the quarter execution, but we really think that in the next year, two years, five years, there is lots more to be done and business to be generated.

Sameer Dosani: So, I am saying Rs. 10 crores, close to Rs. 9 crores provision you have taken on receivables and Rs. 21 crores you have taken provision on inventories, if you can clarify that is there something we should --?

Rakesh Verma: No what are you saying provision of inventory. What did you say?

Sameer Dosani: Provision for inventory obsolescence that's reflected in your cash flow around Rs. 21 crores.

Rakesh Verma: I don't know, I will get back to you. Let me examine what you are saying.

Sameer Dosani: No issues, alright.

Rakesh Verma: Please send a mail, I will look into it.

Moderator: Thank you. The next question is from the line of Nitin Sharma from M.C. Pro Research. Please go ahead.

Nitin Sharma: I have a bookkeeping question. Your technical service outsource expenses have come down sharply in this quarter, how should we look at it as a percentage of revenue on an annual basis, some color would be helpful.

Rakesh Verma: Now technical services outsource as itself means that something that is getting done from outside, correct. Depending upon what revenue project work we are doing, accordingly that technical services outsourcing happens. In this quarter, that kind of revenue might have been lower.

Rohan Verma: Also, what kind of product investments we do, because it's a combination of product investments, project for customer delivery execution, so this varies.

Rakesh Verma: So, this will vary. I mean, it will depend upon those if it has come down this quarter, who knows it might come down more or it might go up next quarter. These are not predictable, they are a function of what work we are doing. Either we do in-house, if we can't, if we don't have enough resources in-house, we outsource it.

Rakesh Verman: In the same vein, let me explain that inventory somebody was talking about Rs. 21 crores is Rs. 2.1 crores not Rs. 21 crores, the provision for inventory.

Moderator: Thank you so much. Ladies and gentlemen due to time constraints that was the last question, I now hand the conference over to the Management for closing comments.

Rohan Verma: **J**ust wanted to say thank you to everybody for taking the time. We will continue to execute, and we are excited about the future so look forward to talking to you again, soon.

Moderator: Thank you so much. On behalf of Anand Rathi Share & Stockbrokers that concludes this conference. Thank you for joining us and you may now disconnect your lines.