Ref: ITL/SE/2025-26/14

Date: May 21, 2025

To,

The Manager,
Corporate Relation Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001

Scrip Code: 532326

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

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 Q4 & Full year FY 2024-25 Earnings Conference Call held on May 19, 2025.

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**

PODUGU PRATYUSHA
Digitally signed by PODUGU PRATYUSHA
Date: 2025.05.21 13:38:12 +05'30'

Pratyusha Podugu
Company Secretary & Compliance Officer

"Intense Technologies Limited

Q4 FY'25 Results Conference Call"

May 19, 2025

MANAGEMENT: **MR. C.K. SHASTRI – CHAIRMAN AND MANAGING DIRECTOR- INTENSE TECHNOLOGIES LIMITED**
MS. ANISHA SHASTRI – WHOLE-TIME DIRECTOR – INTENSE TECHNOLOGIES LIMITED
MR. JAYANT DWARKANATH – WHOLE-TIME DIRECTOR – INTENSE TECHNOLOGIES LIMITED
MR. NITIN SARDA – CHIEF FINANCIAL OFFICER - INTENSE TECHNOLOGIES LIMITED
MR. LOKESH DATTA – FINANCE TEAM – INTENSE TECHNOLOGIES LIMITED
MS. PRATYUSHA – COMPANY SECRETARY – INTENSE TECHNOLOGIES LIMITED

MODERATOR: **MS. SAKHI PANJIYARA – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '25 Results Conference Call of Intense Technologies Limited hosted by Kirin Advisors Private Limited. 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 this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you, and over to you, ma'am.

Sakhi Panjiyara: Good afternoon, and very welcome to today's call. Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Intense Technologies Limited. From management team, we have Mr. C. K. Shastri, Chairman and Managing Director; Ms. Anisha Shastri, Whole-Time Director; Mr. Jayant Dwarkanath, Whole-Time Director; Mr. Nitin Sarda, Chief Financial Officer; Mr. Lokesh Datta, Finance team; Ms. Pratyusha, Company Secretary.

Now I hand over the call to Mr. C. K. Shastri, Chairman and Managing Director. Over to you, sir.

C. K. Shastri: Good afternoon, and welcome to Intense earnings call for FY '24-'25. I'm pleased to inform you that we have had encouraging results in the year gone by. On a consolidated basis, we did a INR153.7 crores compared to last year of INR116 crores. That's a 32% increase in the top line. And on the EBITDA side, we have given an EBITDA of INR25.53 crores, which is again an increase of 12%. PAT has not increased significantly.

PAT and EBITDA was not in line with the top line growth primarily because of the investments which we have done in sales and marketing and a couple of Managed Services deals, which we had to take in where some portion of hardware was also involved.

We have strengthened the revenue earning teams that is Sales. We have strengthened the delivery organization. There's a lot of leadership which has joined the team. And we are on the path for growth. And what I would do is I would hand over the -- hand over further details to be provided by operations to Anisha Shastri. Thank you.

Anisha Shastri: Thank you so much, Mr. Shastri. Good afternoon, everyone. It's my pleasure to welcome you to Intense Technologies Limited's Q4 and Full Year FY Earnings Call. Thank you so much for taking the time to join us. FY '25 has been a transformational year for Intense Technologies, one that reflects the strength of our platforms, the depth of our domain expertise and the consistent execution of our long-term vision.

For those of you who do not know us, we are an AI-first platform services company, and our platforms predominantly focus on the communications, data and process automation verticals. Our platforms are used by some of the largest banks, insurance companies and PSUs to deliver mission-critical services to their customers.

We've strengthened our presence in our core sectors like BFSI, telecom, government. We're also trying to expand our reach to new geographies. Our focus remains to build -- on building practical scalable solutions that can solve complex business problems. This is extremely essential in today's fast-evolving technology environment. Key highlights for the year have been our strategic pivot from a purely tech-driven organization.

We used to be a very, very tech-focused organization, and now we have pivoted to a sales-led platform-first company. This transition has already begun, and it has been delivering results. We -- at the beginning of the year, we committed to our investors that we were looking to target a INR150 crores top line, and we have achieved that.

We are now at INR153 crores plus, right, with a notable uptick on enterprise engagement and a strong emphasis on value-driven conversations. We continue to remain sharply focused on growth while improving internal efficiency.

I'd request you all to please assess our performance on a year-on-year script and not on a quarterly basis. The nature of our business does not give us quarter-on-quarter predictability, but we continue to remain focused on ensuring that we achieve our targets that we set for ourselves on an annual basis.

On the innovation front, we have always been very strong on the communications front. And in the BFSI industry, most marquee customers and leaders in the BFSI industry will know us for our strong enterprise designer offering. We have now expanded on our communications offering to not just be an enterprise communication designer, but to cover centralized communications across the entire organization.

So today, with the help of our flagship designer, we not only help create hyper-personalized communications for their customers, we also help them decide on who should receive what message, on what channel, in what language, so that they can engage better with their customers at what time.

And then we send out the last mile communication, whether it's an SMS or an e-mail or a voice bot or IVR, whatever it might be. So, we are essentially -- we've transitioned from being an enterprise designer company to an end-to-end centralized communications hub organization.

We've received a patent grant for our rule-based data ingestion engine, a robust, scalable framework that enables real-time high-volume data processing, especially the industries that we serve, volumes in India are phenomenally high, right? And so, scale is not even an option for our platform. So, all our platforms have been tried and tested to billions of transactions on a daily basis. This directly enhances our AI-first positioning and is already creating a differentiation across our implementations across.

We also earned continued recognition from global analyst firms and industry bodies. We were featured in IDC's MarketScape as a major player in the intelligent customer communications management space in automated document generation. We were named Luminary by Celent.

We were recognized as a Challenger by Omdia in their Universe report. We have been consistently rated #1 on Gartner Peer Insights by our own customers in anonymous surveys. All of these endorsements really validate the growing relevance of our UniServe NXT platform and the impact that we are making across our core verticals.

What's especially encouraging is the increasing volume and the quality of digital transformation mandates that we are executing. For instance, our work for one of India's largest banks enabled them to consolidate communications across 250-plus systems in the background. And that provided them centralized governance, significant operating cost savings in terms of communications and ensure 100% regulatory compliance. They saved almost 3-digit crores in a single year.

Similarly, we've executed a lot of contracts this year for -- Managed Services contracts for PSUs as well, enabling them to provide exceptional citizen services to their citizens in their respective states. All of these were built on our low-code automation platform, right? So, this really gives you a sense of how our platforms are continuing to remain relevant and aspirational as the years go by, despite the AI wave.

In fact, we are doing a great job in ensuring that all our platforms are optimally utilizing AI, whether generative or agentic, et cetera, to ensure that we provide our customers a superior experience, and they are able to provide their customers a superior experience using our platforms.

From a sales perspective, we saw a stellar increase of 32% on our top line. All investments that we've made across the year, largely, we've tried to optimize on our delivery spend by leveraging AI even for internal efficiency, and we've taken all of that money back into strengthening our sales and marketing backbone. In this last Q4 itself, we've added 2 insurance logos and multiple PSU and government logos as well.

I will now hand it over to Nitin, our CFO, to give you a detailed update on the financials. Thank you.

Nitin Sarda: Thank you so much, Anisha. Good afternoon, ladies and gentlemen. Thank you for taking out your precious time to join here as on Q4 earnings call for Intense Technologies Limited. At the organization level, you have seen that our operating revenues have increased from INR114 crores last financial year to INR150 crores for this financial year.

The composition of the total revenue from our core segments has contributed about 63% of our revenue and while the green shoots segments introduced as part of the Project Butterfly has contributed 37% for this financial year. This is also a milestone year in terms of our top line in context that we had surpassed INR100 crores last year for the very first time and this year, we have also clocked INR150 crores.

So, this growth in revenue has demonstrated the ability of scale up from our core segments and from our Green Shoot segments as well. From a green shoots segment standpoint, data quality and AI-driven solutions have contributed INR8 crores during the financial year. Managed Services from our Government segment, forms part of our Managed Services engagement has contributed about INR33 crores during the current year, and we expect this trend to continue going forward as well. Professional Services has contributed about INR14 crores during the financial year and Professional Services segment will remain a significant play for the U.S. market to gain foothold and thereby increase our offerings in that market.

We believe that as we progress in our journey as part of Project Butterfly, we'll be able to unlock more value from more mature markets such as the U.S., where we could see great growth in revenue and also decent margins from that market.

Also, as part of this financial year FY '25, we were able to renew most of our long-term multiyear contracts for Managed Services engagements and Professional Services engagements. However, one of our major contracts is still in discussions, outcome of which will be known in first week of June 2025. That's the updated on the revenue side of our business.

From a cost standpoint, employee cost forms a major cost on the income statement. For the year, we have spent about INR63 crores as against INR58 crores last year, which reflects an 8% increase in year-on-year. Employee strength stand at 482 as of March 2025 as against 517 in March 2024 last year. During this year, we have taken some measures to optimize our overall employee cost and redeployed those costs in Sales and Product teams to fortify the growth engine of the organization.

Today, as of March 2025, we have a Sales team of about 19 members. Also, as part of an update, we have inaugurated new sales office in Mumbai, where most of our customer offices are based, and we believe this will significantly improve our customer experience and faster turnaround sales for the business.

That's the update from the cost standpoint. We will now open the forum for questions.

Moderator: Thank you very much. The first question is from the line of Aditi Roy from Patel Advisors Private Limited. Please go ahead.

Aditi Roy: My question is, can you elaborate on the 20 new logos that acquired and how many were from India versus international markets?

Anisha Shastri: So, in terms of the number of logos from domestic versus international, it's about 15 logos domestically. About 6 or 7 of those are from the Insurance vertical and the others are from the Government vertical. And as part of our Green Shoot, one offering that we've also added is providing last-mile delivery of communications, so SMS, e-mail, WhatsApp, etcetera. So, a few logos are also with respect to transmission communications.

Moderator: The next question is from the line of Shrey Gandhi from C.R. Kothari Stock Broking.

Shrey Gandhi: My first question is regarding the international logos. Have we added any international logos in this quarter?

Anisha Shastri: We've added 1 international logo in this quarter and the rest in the previous quarters. Overall, about 5 international logos in total.

Shrey Gandhi: So, this newly added is from U.S. or any other country?

Anisha Shastri: U.S.

Shrey Gandhi: U.S. And how are we seeing...

Anisha Shastri: U.S. and it is for our low-code platform offering.

Shrey Gandhi: Okay. And how are you seeing the demand in the U.S.? Like is there any threat of recession in the country being an impact on our business?

Anisha Shastri: See, the threat of recession, we are looking at it as an opportunity for us because any threat of recession means they have to cut down on their costs and what better than to kind of outsource that to India. We don't really do any work with the U.S. government to have any impact on that front with whatever President Trump's measures are. We won't really be impacted by that directly.

Our focus right now on the U.S. market is to see how we can build some referenceability. It's very important in order to really bolster growth in the U.S., first, you need to have local referenceability. So, our focus right now, whether small or big deals is just to go and pick up business over there so that we can build local referenceability and then grow from there.

Shrey Gandhi: Okay. And are margin accretive, the U.S. logos compared to our domestic logos right now?

Anisha Shastri: It's definitely higher than Indian margins, but I do not have exact numbers at this point. I can share it with you offline.

Shrey Gandhi: Okay. Okay. And one more question regarding the margin, the reason -- what was the reason for the margin decline? Was this again, the onboarding of senior officials or something else in this quarter?

Nitin Sarda: See -- Nitin here. See, margins definitely are lower compared to last year on a percentage basis but have increased on an absolute number on a YTD basis. This is partly due to the change in offerings where we have taken a lot of Managed Services contract, which also includes setting up of IT infrastructure, which brings in -- as a percentage would not bring in as much as margin as our Software and Services business.

So those particular segment of revenue becomes a drag on our overall margin. Secondly, whatever cost optimization in terms of the employee cost that we spoke about, we are redeploying that to strengthen our Sales team.

And we have also hired certain domain specialists in BFSI segment here in India and in U.S. to -- which helps us to solutionize our platforms better for the BFSI segment. And also, third point being, see, we are making significant investments in U.S., and we have onboarded a consultant there who is an ex-PwC partner, who has deeper connects in banks and insurance industry

And also stationed one of our employee with almost close to 2 decades of experience in sales and account management, who is working very closely in the U.S. market. So as a U.S. market, we understand the costs are very steep. So, until that market overall starts to reap that benefit in terms of higher sales, we're going to see these subdued margins. That is also one of the factors that we have seen downward pressure on the margin side.

Anisha Shastri: I think also just to add to what Nitin said, fundamentally, in our Green Shoot, there were 2 sets of offerings that we added, consciously knowing that these would probably be overall lesser margin percentage but eventually contribute largely to the absolute margin terms. When we opened up Government as a vertical -- see, Government is all an L1 business.

And in Government, everything is end-to-end services. I can't only provide software. I have to manage the whole thing from deploying the software on hardware, providing them servers, providing them operational support, etcetera. It's a full-blown exercise versus in -- typically in the private sector, all we do is we provide our software and then the bank or the insurance company takes care of their own hardware deployment, etcetera. So that's one piece.

The second piece is the transmission services that we've added, it -- we consciously added this because it makes us a one-stop shop communication provider for an enterprise, right? They don't need to go anywhere else to any -- for anything that they want communications. It helps us improve our stickiness with organizations. But as you know, that is a commoditized business and that comes at a low margin. But it works in our favour because it improves that overall stickiness for us with our customers. So, these are two large reasons why the margin percentage per se has come down, but absolute margins have gone up.

Shrey Gandhi: Okay. How do we see that going in FY '26? Are we looking to maintain this level or going back to the original levels kind of thing?

Nitin Sarda: So at this point of time, what we foresee is that the margins will remain stressed at least for Q1 and Q2, i.e., H1 of the next financial year because the investment that we are doing in our Sales team and the composition of revenue that we are accruing in our books so far will yield results in H2 of FY 26. So, having said that, we are also consciously optimizing costs, bringing in automations in our operational delivery so that these costs savings can be deployed in the growth or support margins for the organization.

Moderator: The next question is from the line of Rishikesh from RoboCapital.

Rishikesh: So last 3 years, our revenues have almost doubled. But if I have to see our EBITDA and PAT numbers have been flat. So how are we looking to address this? Do we expect the PAT to catch up with this revenue growth? And when should we expect a profitability number of, say, INR30 crores, INR35 crores, INR40 crores?

Anisha Shastri: Thank you so much for your question. You're right. You're right in terms of we have seen that uptick in revenue but have not seen a corresponding uptick in our margins. See, over the last 2 years, we have consciously been investing in Sales and Marketing. Earlier, we never really had a strong -- we barely had a Sales team, let alone have a strong Sales team.

It was practically a one-man army in the past, managed by Mr. Shastri. But now we've actively decided to invest in growth and scale. If you followed us in the previous earnings call, we introduced our new Chief Revenue Officer, who comes from Oracle SAP pedigree, who has run large sales organizations and large sales numbers for those organizations in the past.

We strengthened his team by adding multiple sales folks. So let me assure you that whatever additional capital we are deploying in terms of investment is all towards growth. And we were anticipating a slump in our profit margin percentages per se for a few quarters, which may also continue for another couple of quarters, but we definitely see these investments paying off in the long term. I think it's basically a reward for investing in growth versus the risk of not investing in growth kind of a decision that we took.

Rishikesh: Okay. So, I understand that for a couple of quarters, we might see similar margins. So, what should we see or if you could indicate what should be the sustainable sort of EBITDA margins going ahead after a couple of quarters, if you could give a sustainable sort of idea for us?

Anisha Shastri: So, for all our mature businesses, we can definitely see a 20% plus margin EBITDA. And for Green Shoots that we have added, some of those are contributing good margins already. Like, for example, Data AI services, these things are high-margin businesses, so they contribute well versus Transmission Services, Government contracted -- you know that when the economy is down, the government definitely continues to spend. So, it's important to also solicit that business. So, for that business, it might be a little lower than this. But overall, that's what we would be targeting.

Rishikesh: Okay. So, we are broadly targeting a 90% kind of EBITDA margin. And could you provide any visibility sort of do we see this later part of FY '26? Or are we targeting more like in FY '27?

Anisha Shastri: We would hopefully start seeing it from the later part of FY '26.

Rishikesh: Okay. Got it. And lastly, what sort of revenue growth are we looking at for next 2 to 3 years?

Nitin Sarda: So, from a revenue growth standpoint, like we have done in the past, we continue to commit to 20% to 25% revenue growth. But having said that, we don't really want to put that as an aspiration because for some of our segments we see a great traction/ We don't really want to, from a mindset standpoint, limited that to 25%. That's how we look at it from a revenue growth standpoint.

Moderator: The next question is from the line of Narayan Vyas, an Individual Investor.

Narayan Vyas: First of all, congratulations on great set of numbers, achieving INR150 crores revenue guidance that you gave. So, congratulations for that. Well, Anisha, my first question will be regarding that what is your current business strategy? And how are we planning to proceed in this financial year? Particularly, I want to hear the target set by you guys. And also talking about the Project Butterfly, has that handled -- and any updates on that Project Butterfly, which we are conducting?

Anisha Shastri: Sure. Thank you for your question. Our strategy continues to remain the same that we set forth for ourselves in Project Butterfly. See, the focus of Project Butterfly was threefold. First is how do we increase our wallet share from our existing customers because we work with some of the largest banks and insurance companies in the country, but we don't -- we would earlier not really clock enough revenue from each of those logos.

So, our first thing was how do we focus on increasing our wallet share from our existing customers. The second was how do we increase on our dollar revenue. We didn't have any presence in the U.S. And this year, small, but we've added five logos to our credit in the U.S. This will only help, kind of bolster growth in the future.

So, our focus is to see how from -- currently, our international revenues are maybe at about 12% to 15% contributing overall to our overall revenue profile. How do we increase that to about 25% of our overall business? That will be one of our focus areas.

And the third is how do we also increase on the number of customers. We'll focus also on India because we have a strong hold on India. We are a recognized name in our spaces. So, it will be -- it's important for us to continue to focus on India as a market.

But the international market focus is just so that we can add higher margin business overall. We all know that ultimately, the dollar revenues tend to contribute better to the bottom line. So, these -- largely these 3 things. It's the same as what we set forth for ourselves in Butterfly in the past as well.

Narayan Vyas: Okay. Fair enough. Well, what I recently saw the proposal of a new subsidiary. So, what will be the business of this new subsidiary? And is any current operation being transferred to the new subsidiary? And when should we expect the numbers flowing from it?

Anisha Shastri: So basically, what we wanted to do was since -- say, for example, Managed Services and Government, like we mentioned, there is a component of infrastructure associated with it and then software. And that is kind of dragging down the overall margin profile down. So, our idea was even internally to bring in the focus within the organization to know how much we can budget for delivery functions, ops functions, etcetera.

We're taking this conscious decision to move some of this Government business into a subsidiary, which will anyway reflect in our consolidated numbers, but it will just give us that stronger segment-wise focus internally as an organization.

Nitin Sarda: Also to add to it, see, Government business has its own business nuances like in terms of the performance bank guarantees, operational requirements, partner associations, and the related exposure. So, we also wanted to limit these exposures and the contractual liabilities restricted to that entity and also manage the financing part independently. That was one of the other reasons that we created a subsidiary whereby to take up more government-related engagements from that particular entity.

Narayan Vyas: And when should we expect the revenue flowing from that subsidiary that it will be seen in current financial year or it will be in the latter half of this financial year? What are your guidelines regarding that?

Nitin Sarda: From a revenue standpoint, maybe in the later part of the financial year '26 because all of the engagements that we have already signed up will continue to be done through our holding company, which is Intense India. But for the new engagements, it also depends on a lot on the criteria that the government has set up and the RFPs.

So whichever suits -- brings in suitability of our bidding process, we'll take up that. But yes, we should see -- overall, to sum up, we should see that somewhere in Q3 of the financial year.

Narayan Vyas: Well, that sounds great. My next question is regarding that we have receivables of more than some INR67-odd crores, and that is a sort of trend which is increasing since past few quarters. Will they get -- when will they get realized? The first question is that. And secondly, that we are also on a cash position of INR25-odd crores.

So, if I take receivables too, then it is a sum of around INR92 crores and also depreciation, which is a noncash expenditure, that comes to INR7 crores. So, we are at around a cash position of which is around INR100 crores. So that is a very huge position. How do you plan to utilize that?

Nitin Sarda: From a trade receivable standpoint, what we have seen in the current financial year, certain receivables from our Managed Services contract from Q3 have gotten delayed. However, these were realized in Q1/ May 2025. So, our receivable position as of March 2025 stands at around INR67 crores on a consolidated basis, and we have realized close to INR11 crores from therein, which got delayed, like I said, from Q3. So, we have been able to replenish our cash and also collect the overdue receivables.

From a liquidity standpoint, yes, the company has a very robust liquidity position and the arithmetic that we just did close to INR100 crores of overall position, that definitely gives us confidence to make investments like what we are doing already in our Sales and Product teams. That's the strategy that we have at this point of time.

C. K. Shastri: Courage to take on large projects without worrying on the financial bandwidth and other things.

Narayan Vyas: Okay. Well, if you may allow, I have one last question. Well, the cash conversion cycle and working capital days have also increased. How are you planning to improve that? Because as I remember that in order to reduce or improve our cash conversion cycle and working capital days, you guys tried and mentioned -- you guys mentioned in previous conference calls that we are trying to switch to transaction-based model.

And based on warrant numbers, I do not think that it is going in our favour currently because I've seen the financials; it sort of seems like we are bleeding on the -- we are increasing our revenues on the verge of margin bleeding. So how are we planning to improve our conversion cycle? Because definitely, there is an increase in the sales number. That is very good. But when and how is that going to improve our realization of margins and also improve our cash conversion cycle?

Nitin Sarda: Sure. So, to -- this is a multi-layered question. So let me response on the receivable standpoint or from the business model standpoint, as you have mentioned that we are trying to actively gun for a transaction-based billing and revenue as opposed to licensing plus AMC model.

See, the whole industry is geared up in that sense towards license and AMC. So, we'll continue our existing contracts and probably try to migrate wherever we have a choice, and it's a win-win relationship with our customers as well. That's one part of it.

Having said that, we have been able to -- like as part of our Green Shoots segments, we have initiated a transmission business, which is per transaction, which also includes the transmission of messages through e-mail, WhatsApp and SMS. And also, we have deployed one of our platform reach where we are also able to bill our customers for the software part of it, where we are not charging them the license and AMC.

Having said that, this is just a Green Shoot segment. A at this point of time, as of March 2025, comprises very small percentage of our total revenue. So, if at all, as we progress, if we see -- we are seeing great traction in that respect. So, if at all, we see a greater percentage of revenue realizing from that particular segment, we should be able to have better receivable cycles there.

Coming to the second part of the question, how are we going to improve our working capital cash conversion cycle? See, we -- for this current March '25, cash conversion, working capital cycle stands about INR150 crores. And as I've mentioned, that is because of these certain receivables that were there in Q3 from a Managed Services contract got delayed, which we have already realized as of mid of May 2025.

Our total debtors' position as of March '25 was about INR67 crores, which have already realized to the extent of INR12 crores. The debtors from by March 2025 is about INR55 crores. And it is expected -- we expected to realize further few more customer collections in the next 2 to 3 weeks, which will bring down the overall outstanding dues. So, we are making very calibrated decisions in terms of the kind of Managed Services contract that we onboard.

C. K. Shastri: And what happens, sir, in enterprise business, the number of base credit, which the large enterprises demand is also very high. There are large customers like Vodafone has negotiated pays even Oracle in 120 days. So, you can imagine the pressure it puts on the overall system, on the DSO.

Anisha Shastri: Internally, in terms of process, what we have done is we've tied up all sales, obviously tied up all sales incentives to being paid upon collections. So, it's in the salesperson's interest as well to ensure that the money is collected. Otherwise, they don't make their sales bonuses. Yes. So, we've added those levels of process checks internally as well.

Narayan Vyas: Fair enough. You guys are mentioning Green Shoot segment. Well, in simplified terms, can you please explain me that apart from our core CCM that you guys are mentioning Green Shoot segments, what exactly are we doing in those segments?

Anisha Shastri: So first, if I were to look at the communication space itself, earlier, we were only a CCM designer company. Today, we have everything from a CCM designer to AI-powered marketing information to last mile transmission services where we send out the e-mail, WhatsApp, voice bot, whatever it may be, right?

So, the second and third pieces have been added in the last year to make us one centralized communication offering for any bank or insurance company or the government for that matter, for any of their communication needs. So that's one piece of our Green Shoots.

The second is we have our own proprietary low-code app development platform. There are multiple business models around how you can market a low-code platform. But given the industry dynamics and given the competitive landscape as well, we took a conscious decision of being able to deliver Managed Services using our low-code platform.

So that gives us enhanced efficiency – for our delivery capability. It gives the customer faster change management, quick visibility into their entire -- just their project road map, etcetera, all of that, while using the benefits of AI. So earlier, we didn't do this in the past. And now that we also do that, so that's the second offering.

And the third is we have talent availability within the organization which we could be deploying for other projects, outsourced projects, etcetera, where we could make -- where we could build our talent for that. So contingent workforce and outsourced engineering services, testing services, etcetera. So that's the third.

And then the final piece is the data piece where we help banks, insurance companies, etcetera, improve on the quality of their data that they have internally so that they are able to power their AI and BI kind of initiatives better because for any AI project, data is paramount.

What you train it with is based on that is what the AI tool will -- or the AI agent will give you the relevant output. Today -- garbage in, garbage out. So, we focus on the data quality, data management, data remediation, data standardization, cleansing, these pieces and duplication.

And we have platforms of our own as well that we use for there as well as these customers already have platforms from other third parties like Informatica or Databricks, then we use those as well to deliver. So, these are the 4 different Green Shoots.

Narayan Vyas: I hope and I really wish that you have great set of numbers and good business in the coming financial year.

Anisha Shastri: Thank you very much.

Moderator: The next question is from the line of Shrey Gandhi from CR Kothari Stock Broking.

Shrey Gandhi: My question is regarding the patent which you have been granted recently. Can you explain the scope of the patent and how it is going to benefit our overall businesses? Is there any incremental revenue or something new business which we can tap in using this patent?

Anisha Shastri: Okay. This is one of our proprietary -- so in one of our data platforms for our Communications business, for our Low-code business, Managed Services business, for our Data business as well, wherever, data ingestion is a key part of the overall project where we are able to handle data from multiple source systems and really modify that data to be meaningful to that particular engagement, whether it's communications or whether it is using it for some other application that is being built out. So, this patent that we have received is around our data ingestion capabilities and our ability to add rules, conditions, etc., to be able to appropriately modify this data in real time…

Management: In memory.

Anisha Shastri: In memory, so that it can be processed for whatever end purpose it is being used for.

Shrey Gandhi: Okay. And do we see any incremental business or revenue from this particular patent? Can we tap in new customers using this or something like that?

Anisha Shastri: Yes, this functionality is already being used by us across all our engagements. Wherever there is a data play, wherever we need to ingest data from multiple systems, etc., we already use it. The patent has been granted now, but it's been in use for a long time.

Shrey Gandhi: Okay. And my another question is regarding the Sales team. What is the current Sales team size? And what do we plan to do we plan to increase it in FY '26? And if by how much if you can share it?

Anisha Shastri: Overall, I'd say our Sales team comprises of about 19 people, with 3 people outside of India and the rest within India. And this is a combination of senior sales skills as well as junior field runners. With -- especially in sales, I'm sure you appreciate if -- one of -- a very powerful CEO of a large organization also gave this comment saying in sales, typically, to find good person, you need to hire 4 because you don't know who will perform and who will not.

I think we are currently in that phase of our journey. So, we have about 19 people on board right now, and we very consistently week-on-week assess their performance, their pipe, how their pipes are shaping up, etc., and take diligent calls. Like for instance, even last year, we had probably overall added about 24, 25 salespeople, but then we optimize back to 19 based on whether we were seeing that traction building up or not and that diligence. So, it's kind of a continuous process.

Shrey Gandhi: Okay. And one last question. Like what are the projects in pipeline which we have currently? Like what will be the focus area for Intense as a business for the next 1 to 2 years? And how do we plan to grow? Is there any particular segment we are looking in or something?

Anisha Shastri: Our core focus segments continue to be Banking, Insurance and Government. With our low-code platform and our communications offering as well, Government has ample amount of citizen communications, citizen tool offerings, etc. So, these 3 will continue to be our strong areas of focus. And the highest contributing will still continue to be our Communications hub.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: I'm trying to understand, we did more than 30% margin between FY '20 and FY '22, but that has reduced to 14%, 15% currently. I understand that we are investing in new assets, we are moving to these low-margin Government business and the Enterprise Communication business. But still this-- if I consider the -- on the incremental revenue that we added, we haven't made any margins. So, is it that, that those margins were one-off? Or am I missing something?

C. K. Shastri: Could you please repeat the question?

Madhur Rathi: Yes. Sir, I wanted to understand, we did 30% margin during FY '20 to FY '22, and these have been reduced to 14% currently, and these have been declining since FY '23. So why is that? And sir, like I'm trying to understand that on the incremental revenue that we have added, is there -- is it like we haven't made any margins or what, I'm trying to understand?

Anisha Shastri: See, at that point -- those margins at that point were definitely an anomaly because we had secured some large volume contracts where we were able to use our platforms to deliver it much more economically than we had originally anticipated, and that's what contributed to those margin profiles in the past.

Having said that, I mean, in terms of our growth strategy, the reason why we added -- within our Green Shoots, we also added a couple of low-margin businesses, but we added them because we know for a fact that it gives us that stickiness with our customers and it also gives us referenceability and scalability in the Government verticals.

So, while margin percentages may come down, absolute margin will go up. So, it was kind of a conscious decision. You're right in comparing us from the past to now, but that was kind of an anomaly. And we are working towards improving the current margin profile as well. It's not like we are not. But it will start contributing maybe a couple of quarters later.

Nitin Sarda: Also, just to add to your question. Yes, sorry, so coming to your question on the margins that we are making on Green Shoots segments, it's not that we are not making any margins there. It might not on part with our Software and Services business where we have been operating in the past 2 decades, right?

So, our reach and our efficiencies is much more high in that segment. That's the one part. So, we are making margins and decent margins from our Green Shoots business. Also, like we have mentioned, we are making certain investments, conscious investments in our Product team, Sales team, which we were not doing earlier.

That has also decreased margins. So certain reasons, the percentage reasons, margin that has come down is because of the investments that we are making in our core segments revenue as well. Otherwise, if you look at it, our ability to upsell, cross-sell from our improved spectrum of offerings would not have supported these investments.

Madhur Rathi: Got it. Sir, if I look at the 20% margin that we are guiding that we should reach by FY '26 end, so I think 2 of the costs that has increased substantially is the IT infra cost and the professional consulting cost. So, this moving to from the 14% to 16% margin to this 20% margin, will it be because of these new margin -- higher-margin business scaling up or these costs going down over the next 3, 4 quarters?

Nitin Sarda: We would not look ai it that way. If at all the margins has to come in, it's about the utilization of the bandwidth that we have in the company to secure more revenue for the company. See, IT infrastructure cost is part of our Managed Services engagements, which is very closely correlated. So as and when we have a particular part of the milestone of the contract where we have delivered in a particular quarter, you'll see uptick in revenues and also in the IT infrastructure cost.

So, it is bound to be a little dynamic and volatile in nature. Coming to the professional and consultant expenses, like we have said, we have consciously hired certain domain specialists in the BFSI segment here in India and abroad because we believe we have the capability to provide our solutions and to be able to solve much bigger business problems, and we are gunning for large services contract like we did in the past.

So, the margins would effectively come from unlock of value from the new geographies, which is more mature markets like the US, UK and MENA. And also, whatever investments we are making in the current period in our Sales team would should -- we have a sales cycle of about 9 months typically by the time we identify a lead and we crystallize to our engagement. So that should also start reaping us benefit in the later part of this financial year. So, all those factors combined would definitely give us better margins going ahead.

Madhur Rathi: Sir, so this IT infrastructure cost is majorly related to the Government Managed Services. And as the revenue scales up, we should see improvement in margin. Is that the right understanding?

Nitin Sarda: Yes. See, we have been operating in the space for a very long time. We've got excellent long-standing relationship with most of the OEMs, whether they suppliers of high-end servers, IT infrastructure. So, we are able to negotiate better credit terms, better competitive rates that help us to provide one-stop shop for Managed Services. But yes, what you stated stands -- holds good.

Madhur Rathi: Got it. Sir, I'm a little new to the company, but what I understand is earlier, we were just a CCM provider and we are like trying to move to a pure-play communication service provider. So, if I look at our competitors like Route or Tanla, these guys -- I think Tanla has platforms, that's why they make margin.

So, what is the right to win that Intense has against a Route or a Tanla? And in a segment where the realizations are declining as well as there is a lot of competitive intensity -- so yes, if you could just help me understand that?

Anisha Shastri: So, first of all, we don't compete with Route and Tanla across our overall landscape. That's just one portion of the last mile communication. And that last mile communication also we don't have a gateway of our own. So, we buy it from the likes of ValueFirst, info, etc. So, we don't really compete with the players that you spoke of in the market.

What they do is just the last mile transmission of communications versus what we do is we help, say, for example, your credit card bill, your income tax return, your, say, postpaid bill or in the Insurance vertical, say, sending out a know your Policy video to educate customers on their policies, benefits, etc., or help them convert their leads into customers.

That's the core play that we work in. We help our customers communicate with the right customers at the right time on the right channel, in the right language so that they can see an increase in their top line. That's the space we operate in. The portion that Tanla or Route cover is a small portion at the end of complementary in nature actually to send out the last mile message as well.

Madhur Rathi: Got it. So, we kind of use their network to provide our services...

Anisha Shastri: Yes, once we have designed the whole thing, once we have created the right journey orchestration to decide who should receive the message on WhatsApp versus on SMS versus maybe Nitin should receive it on e-mail, etc., once we calibrate all of that and we design the overall communication strategy, then we finally send it through a Tanla or a ValueFirst.

C. K. Shastri: Also, it needs to get integrated with the backend.

Madhur Rathi: Got it.

Jayant Dwarkanath: While in the past it was sent all of these messages through a Tanla for final transmission, now what we are doing is also kind of doing what a Tanla also does. So, by integrating into the entire ecosystem, so we are actually adding a new line of business to our existing communication line.

Madhur Rathi: Got it. Sir, if I would like to segregate our revenue between transaction-based and what would be a license or a software-based, so what would be the portion of our revenue that is more of transaction-based where like with volume growth we can see going forward, that should help us?

Nitin Sarda: See, at this point of time, it would not make a sense to sort of bifurcate the business because this is something that we have just started last year. We have onboarded a couple of logos and we are continuing to pitch this to our existing customer base that we have on the Communications segments. The transmission part of the communication business, which is that we are sending out messages forms a very small portion of our overall communication revenue.

But there's huge scope in terms of upscaling that business. See, Tanla is a dominant player in that space, and we have just entered. And our value as Intense lies in our core offerings, we are more of a strategic player for our customers, whereby we help them generate better leads and convert them to the businesses. So, we are more deeply entrenched with the customer business and the communication space is where we operate with them.

Madhur Rathi: Got it. Sir, just a final few questions from my end. Sir, one would be, sir, if you could just help us explain on the WhatsApp part of our business and where we see this heading over the next 2 to 3 years? And in general, sir, where do we see Intense Tech moving in terms of revenue and margin over the next 2 to 3 years as well as tech capabilities that we would like to add in our business? Those are my questions.

Nitin Sarda: So, if I could understand your question correctly, so WhatsApp is one of the mediums of communication whereby the reach platform that we have, wherever customer prefers that channel of engagement, we help businesses engage with them.

Coming to the margin profile in the long run, probably it would be too much of an estimation at this point of time because it would depend on the composition of revenue that we would realize by then. But having said that, our ambitions and aspirations is to improve our US, UK and MENA businesses and also, there's a lot of headroom that we see in the domestic market in terms of how do we solutionize.

Right now, we work with the large banks, private and public. How do we solutionize our offerings to Tier 1, Tier 2 banks where we probably go a transaction route or probably much lighter version of our solutions remains for us to navigate. That is a great headroom that we see for the growth of our organization. And that's where our sales teams are working to turn those segments & markets.

And also, probably right now what we are also trying to do is gun for large services contract like we have in the past. So probably if any of those particular leads, engagements and opportunities that we are trying to secure, if that comes up, that will also be an additional year-on-year revenue that we'll see. So, it would be very difficult for us to estimate a margin profile from this composition of business that is very dynamic.

Madhur Rathi: Got it. And sir, WhatsApp, are we trying to become a service provider on the WhatsApp messaging segment? Or how are we -- I'm just trying to understand how will that be integrated in our business going forward?

C. K. Shastri: I think you should really understand the entirety. See what happens is in a typical large organization, there are various systems which are there. For example, in the bank that they have implemented, there are 250 systems, systems and the data from the systems needs to get integrated into your communication designer and your thing.

And then the designer is done, then the communication rules, the governance has to be passed, then it has to go through the gateway that is the Tanlas or the Netcores of the world who buy bulk gateways from the operators. They buy bulk and that's how the thing is.

So, if you look at the value chain, it's a huge thing which we are doing. Since we are doing the entire thing of connecting to back-end systems timely and all these things have to happen in milliseconds, the message composition, right, this thing as per statutory requirements, BLD, this thing, checking whether it is there or whether it's in the hot listed thing, all these activities plus -- and then we used to hand it over to a Tanla or a Netcore.

We said that when we do all the grunt work, why not we also add the last mile thing, and that's how we added the thing. So, the mediums and our engineers are so powerful that it intelligently understands which medium to send, whether you see WhatsApp frequently or you see SMS listing or you see e-mail, all these intelligences are further added to it.

And the message tuning also happens based on the insights and the analytics which we derive from it. So, it's a big solution. It is just not a SMS delivery or a WhatsApp delivery.

Nitin Sarda: Also, I would encourage you since we -- this is your first time that you're being introduced to Intense Technologies, I would encourage you to visit our website wherein we have details offering solutions in the form of videos as well for a better understanding of what we do and what value we contribute to our customer organization. Please feel free to visit our website.

C. K. Shastri: Or whenever you're in Hyderabad, you call on us, we'll take you through a deep dive of all our solutions.

Moderator: The last question is from the line of Lakshminarayanan from Tunga Investments.

Lakshminarayanan: Few questions. One is that if I just look at your last year and just roll back and see what has actually worked well for you and what hasn't worked well for you and what have you corrected to address things that hasn't worked for you, can you just elaborate a bit on that?

Anisha Shastri: Thank you so much, Lakshmi. I hope you're doing well. In terms of our last year's learnings, I mean, see, when we first embarked on this Project Butterfly, there were about 7, 8 Green Shoots that we kind of added to our platform. What we continue with now are only the ones that we believe are complementing our core platforms well and are helping improve the stickiness of our core platforms and the sales value proposition, overall value proposition of our core platforms as well.

So, some of the previous lines of business that we thought we would focus on, we quickly pivoted when we realized it was not complementing as well as we had kind of anticipated it to. So that's one front in which -- where we -- this last year helped us get clarity on what lines of offerings we should focus on and what to drop. So that's one strong point.

Second is it also kind of gave us clarity on the kinds of organizations within BFSI as well, the kinds of organizations and the internal business -- which stakeholders we should be targeting as opposed to others. So, we measured kind of on that as well. It helped us overall even improve on our overall sales cycle. Earlier it used to even go -- there were times when we would even go 2, 3 years to close a deal versus -- we've seen a reduction in that…

Lakshminarayanan: Hello?

Anisha Shastri: Hello? Can you hear me?

Lakshminarayanan: Yes, yes.

Anisha Shastri: Okay. Great. And then another thing is in the past, we never had any -- we never did any Government business. So, we didn't have any referenceability. In most government tenders, you are required to, as part of prequalification criteria itself submit what work you have done and where. And this last year, we have really focused on increasing that referenceability even in the government landscape.

So, we are now better positioned to participate in more number of deals coming in. And then the last part is US. The US market has been something that we have actually been trying to eye for over a decade now but have not really seen strong success.

And one of the reasons that we believe is because since in India, we tend to typically work with large enterprises, we assume that, that should be the same strategy that we go with to the US, UK as well. But what we realized is local referenceability is what matters over there. So, it doesn't matter to them if we are working with an HDFC or a here or a Jio over here. It's -- they're not concerned with that.

They're concerned with kind of local referenceability. So now we've changed our U.S. strategy itself also to start small, focus on smaller Tier 2, Tier 3 operators, not just directly go and chase after an AT&T or a Verizon or a Bank of America. So, we've kind of pivoted in our approach over there for international markets as well.

Lakshminarayanan: Got it. And this is very helpful. And my second question is that on a -- if you look at FY '24 and FY '25, what has been the kind of a hardware or a bundled sales and how it has been -- just trying to understand what has been your pass-through revenue. I just want to separate out if possible between the hardware revenues and the product, services revenues? If you can just elaborate that a bit, it would be helpful.

Nitin Sarda: So, just to probably respond to your question, I would not really say it's a pass-through hardware transactions. It's more of a multiyear contract wherein the services part comes in later part of the years of the contract. So, if we have a contract for 5 years, first year is where we set up the entire IT infrastructure in place.

The services part comes in later. So, during the current financial year, like I mentioned before, we have done about INR35 crores of business in the Government segment, which vis-a-vis what we did last year was about INR15 crores, INR14 crores of business. The servicing part, the AMC part will continue to accrue to us over the next 3, 4 years of the remaining contract period.

Lakshminarayanan: It would be helpful to understand what is -- because EBITDA would be showing in a much better color if you separate out the hardware and the software?

C. K. Shastri: That is the idea of the specifically, no, you're right, sir…

Lakshminarayanan: Sir currently…

C. K. Shastri: That is the idea why we...

Lakshminarayanan: Yes. Sorry, go ahead.

C. K. Shastri: That is the idea behind we floating a subsidiary so that the Government business is separated, the Managed Services business is separated into the subsidiary and this one so that there is a clear clarity on the margin profiles.

Moderator: We take this as our last participant. I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors for closing comments.

Sakhi Panjiyara: Thank you, everyone, for joining the conference call of Intense Technologies Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference call. Thank you. Good day.

Moderator: Thank you very much. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.