November 03, 2021

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor
Plot No:C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
Scrip: RAMCOSYS

BSE Ltd.,
Corporate Relationship Department
Phiroze Jeejheebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip: 532370

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further to our intimation dated October 26, 2021, regarding analyst/ investors call, please find enclosed the gist of the points discussed in the Con-Call held on October 28, 2021 and the fact sheet as on September 30, 2021,

The aforesaid intimation is also being hosted on the website of the Company www.ramco.com.

Kindly take on record the same.

Thanking You,

For **RAMCO SYSTEMS LIMITED**

RAMCO SYSTEMS LIMITED CHENNAI 600 113

VIJAYA RAGHAVAN N E
COMPANY SECRETARY

Encl: Gist of Call and the Fact Sheet

"Ramco Systems Limited
Q2 FY2022 Earnings Conference Call"

October 28, 2021

ANALYST: **MR. ANMOL GARG - DAM CAPITAL ADVISORS**

MANAGEMENT: **MR. P R VENKETRAMA RAJA - CHAIRMAN - RAMCO SYSTEMS LIMITED**
MR. SANDESH BILAGI - CHIEF OPERATING OFFICER - RAMCO SYSTEMS LIMITED
MR. R. RAVI KULA CHANDRAN – CHIEF FINANCIAL OFFICER - RAMCO SYSTEMS LIMITED
MS. GAYATHRI – VICE PRESIDENT, FINANCE - RAMCO SYSTEMS LIMITED
MR. VIJAYARAGHAVAN - COMPANY SECRETARY - RAMCO SYSTEMS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Ramco Systems Limited Q2 FY2022 Earnings Conference Call hosted by DAM Capital Advisors. 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, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anmol Garg from DAM Capital Advisors. Thank you and over to you Sir!

Anmol Garg: Thank you. Good afternoon everyone. On behalf of DAM Capital we welcome you all to Q2 FY2022 conference call of Ramco Systems. We have with us Mr. P R Venketrama Raja, Chairman of the company, Mr. Sandesh Bilagi, Chief Operating Officer, Mr. R. Ravi Kula Chandran, CFO of the company, Ms. Gayathri, VP Finance and Mr. Vijayaraghavan, Company Secretary. So without any further ado, I will hand over the call to Mr. Venketrama Raja for his opening remarks. Thank you and over to you Sir!

Chairman: Good evening everybody. Thank you all for joining this investor call. I understand your sentiment and disappointment on this quarter's numbers. As you all aware there have been changes in our organization and we now have a core management team who are now running operations and working with our COO, Sandesh. He is also with us in this call and he will be presenting a way forward. From a strategic point of view, I would like to state that our pipeline and interest from our customers are very strong and growing. What has been negative in this quarter was mainly due to markets in Asia which is main stay for us, did not recover due to COVID and it is also a very high touch market, where we need to be present physically and so on. This hurt our operations quite a bit and also two important orders which were to close this quarter were postponed by several quarters.

Going forward, I am glad to say that we are in the final stages of quite a few very good deals but we are not in a position to commit on the timing of the closures of these, given our experience so far in these COVID times. We are also investing to increase our execution capacity and hiring many new technical management talent which will be needed to handle the deals which we are negotiating and will also improve our ability to speed up our implementation. This is necessary, given the nature of the orders we are expecting.

In summary, I know all of you have been quite patient, but we expect to streamline our market operations and bring in a lot more predictability. I will now hand over to Sandesh, Chief Operating Officer to give you a briefing and then we will take your questions. Thank you.

COO: Thank you Mr. Chairman. Good evening everyone. I would like to take you through the operations of the company for the quarter and also I will dwell upon more on what Mr. Raja just spoke about, our exposure in the market and what we have seen in the opportunities and operations for the coming year and more to come forward.

For the current quarter we had flat quarter all perspective from revenue as well as from the order booking perspective. Revenue stood at around USD 19.15 mln., against USD 19.23 mln. against the previous quarter. For the booking perspective also, it was flat USD 19.67 million as against USD 19.74 mln. for the previous quarter. Our net loss USD 1.76 million versus USD 1.22 million - increase was mainly due to the adverse foreign exchange impact it had on the book - otherwise most of the other parameters were flat and we remain cash neutral and we have not borrowed any money. We are zero debt company even now. I think from that perspective that has been the quarterly numbers - at the same time we had 12 new customers which we have signed in out of them two of them were the fortune customers from the US; we have on-boarded those customers. We are sitting on unexecuted order book of USD 189 million which shows the strength of what we have for the further quarters and also predicts for the cash flow perspective that we are on the sound footing.

Underlying that numbers what I will do now is give some more details to you the indication what has actually translated into that number. Pre-COVID, when we were on the whole of this journey, in the last quarter of 2020, when we were impacted with the COVID for global scenario, we had around USD 25 million of average order book. That has now in the last two quarters been USD 19 million; however, the main reason for that is our heavy reliance on Asia - that has been in the previous two investor calls also we had indicated. I would rather probably give more quantification on that what is the impact of that is.

When we had around close to $25 million of order booking, Asia used to take heavy closure which is in the range of around $14.5 million to $15 million, we would book consistently from Asia, which has today dropped down to current quarter and even in previous Q2 to $1.8 million. So that is significant stress on the order booking from this and it is not something to do with the business perspective or our area, but it is purely because of the almost entire market in this countries where we operate Malaysia, Singapore, Hong Kong, Philippines, Greater China, every market is closed internally as well as for other area and these are heavy touch markets and the impact of that is we have to see.

However order booking position in this geography still remains steady - I think we were pipeline wise, having whatever we were having, we are still maintaining and I think only certain decisions were actually postponed. So that from that perspective I t gives us, now the markets are opening and we are seeing from Australia and New Zealand when it opened it started showing and in fact the statistics what I gave, if we were completely reliant and did not get diversified, its impact would have been much greater; however, our European operation and our US operation did contribute for some of the shortcomings from Asia.

However, further diversification and investment both in US and in Europe we would continue to do and which we have already done in last two quarters - in Spain we have and our people on footing in Spain and we have increase in US probably we will go ahead and do more diversification in the future; however, we are very confident with the market opening up in Asia, post some of the countries having started opening up and the borders are looking like they will be opening up for intra-country and inter-country travel which would take the almost from bottom level where we are there in the Asia from the order booking perspective, only bounce back will be there.

That is the confidence where we are standing - we will see positioning. Meanwhile we had done some significant alliances and other works which is also showing good results and healthy pipeline buildup we have seen. In fact our pipeline in these times has grown over 20% of the average what we used to maintain and in fact in post September also, we have seen a continuos improvement in our pipeline position. With that background we see order booking position and consequential revenue impact would start turning into better position.

From the operational perspective, we would continue to invest as our Chairman just indicated, to invest into talent and probably strengthen our ops personnel to prepare for the orders which we are expecting. In fact we are in advanced stages of negotiations in few of those deals and some of them are in the upward of $5 million, few of them are there and much more larger deals also we are negotiating. Usually in every quarter, we had at least one $5 million closure and we did not have that in this quarter. So from that perspective the amount what we are negotiating and our sales team engage, we are seeing is better.

So that is from the operational perspective. Last quarter we had indicated interest in our defense and our HR proposition and to strengthen this, we are opening our new subsidiary in US for defense specifically looking and there is very good pipeline we have seen so that would be necessary for us to and we are confident that it will open up the kind of business lines which will add to our growth story what we are looking forward for. I would pause over here.

Moderator: Thank you very much. We will now begin the question and answer session.

Question: I am looking for details on related party transactions for this quarter, what is the revenue contribution from the group companies?

Answer: It is in the normal course of business. If you can wait for some time, we will be publishing the related party transactions also in a few days.

Question: Okay fine, but let us know how is it compared with last year?

Answer: Compared to last year on the same level, but there will be some ups and downs, we have seen in the past - because when our group companies go for expansion / additional users or when they take new modules - we treat them like any other customer. This quarter there would be an increase from the last quarter. We will be publishing it.

Question: Okay and my last query, I understand that there are few employees under the roles of Ramco Cement being deployed under Ramco Systems, how is it transaction working between the two entities and why there is such arrangement?

Answer: Whomever we are taking they are on our roles, either we take them on regular employment, or we have some consultants whom have hired as consultants.

Question: Do you mean you do not have such arrangement there?

Answer: We do not have such arrangement, but if you are referring our transaction with one of the group companies RITSL the answer is yes, but they are not on our roles. We get customer contracts in our name and we give a portion of the implementation subcontract to them. This we had reported also.

Question: I am speaking on behalf of Kedia's Securities. So just wanted to understand like from past couple of quarters, our results are not like kind of in a steady state, they are unpredictable, so even as in the last call, we had discussed like from when can we expect the trajectory of the results to be more predictable; we can understand low growth and high growth, but when do you think your results will turnout to be predictable?

Answer: As I explained earlier I think it is more to do with our reliance on the Asia market and when we informed in the previous quarters, they were looking like opening up and things would turn out. I think it is clearly the factor of heavy reliance we had and in fact still it is there; we have tried to diversify, so from that perspective it should be, with the opening up of the market; I think it has purely been impact of the COVID we had our business; now it is looking up, so we are expecting we should start seeing steady businesses in coming quarters.

Question: So even in the past like there have been many instances when the results have been very unpredictable, so from now on, can we really expect you to go on the growth trajectory or still there will be every time there will be some kind of uncertainty with regards to results?

Answer: Overall it will be in the growth when it is, even in the past if we see, the growth also there are due to some spikes which will continue because some of the heavy licenses specifically in aviation deals, which cannot be predicted in whichever quarter, there will be slight upward. Even in the past if you have observed and then it will taper down over a period of time. I would not call it as unpredictable. Some spikes will be there and has been in quarters when we get some licenses deal. Most of our businesses we have tried to be like HRP and some of the other lines of businesses. We have tried to move them onto 'per employee per month' basis which means SaaS model, what we call as, on basis of outcome; and basis of flat revenues month on month, but that is only our HCM business, which represents around 35% of our revenue. Rest we are trying to do, but like in aviation and sometimes in ERP both, license deals will come and it will have a spike then. Negative or consistent quarterly flat trajectory is the more outcome of what I explained to you earlier.

Question: But in your opening remarks you had mentioned about the going forward strategy 2.0 from your end, which you are looking to deploy, leading to higher growth and better numbers year on year. So can you elaborate on what exactly are you trying to do?

Answer: Basically, we are trying to reorganize ourselves. One of the things we found was that customers are now looking forward to higher speed of execution. This will speed up our numbers. Also they are also looking at digital transformation, they are asking us for help in terms of transforming, consulting work and so on. So based on this, we are looking at increase in hiring of technical and management people. Also, need to increase our pipeline, which is today around $500 million, given the key successes in some of our key verticals. We are now working towards how do we increase the pipeline dramatically. For example this quarter, we were relying on two major orders coming in, but they got postponed and then uncertainty set in. We need to be able to talk about five or six customers and we have the ability to increase the pipeline, given successful nature of our implementation in various business lines. Given that, strategy forward is, to increase the pipeline, to keep a network of alliances that we have - Workday and Oracle - because they also start to increase the pipeline. All these effects will come in over the next two quarters or so, because, for us the clock cycle of our business is slightly slower than that of new age business. So it will take couple of quarters to stabilize, but I am confident with these alliances and success we have and the kind of demos and deals which we are now starting to talk, I think the stability will start coming in, but internally also we are reorganizing ourselves to make sure that happens.

Question: Most of these points are related to the market trend. In terms of our internal policies, are there any strategic goals or action plan which we have set in and which we look to execute and get the speed faster for execution of our orders?

Answer: Yes. For example, if you look at one of the bigger areas - the HRP, where the also process the payroll for some of our major customers, it is now giving a very good cash flow, though our revenue is muted. You can see cash flow steady and we are continuing to grow. As we grow, payroll processes and all those sort of things, we need to speed up and improve our implementation, where we are heavily automating our implementation using AI technology. We are also putting the hyper automation in this and also the alternating ability to do our BPO operations and so on. So, for each division, there are series of steps which we will do to make sure that we speed up the clock cycle, rather than the conventional one and learn from the new age businesses and speed up the rate of our implementation and our support to our customers. For each business line, we are putting together our strategies. Some of the businesses like defense and aviation are necessarily very lumpy, because the businesses may be one million, two million, sometimes 5 million, 10 million. There it is little more traditional, but we find that we probably need to speed up that kind of orders and have better closure. We analyzed the need to get more industry management leaders who are also trusted. I think we were obviously relying on power of our product to sell - that is why things are getting delayed; now to reduce the cycle, we also need to have industry experts who are pitching for our product - that strategy also we are changing. This little tweak, we are doing everywhere and it is starting to show, but it would little more time to actually show you on the pace.

In the HRP business, there are two fundamental things we have done, because we are very bullish on this business, so that will profile into significant growth. In HRP we cover around 55 countries in our platform. Now we have the ability to cover more, with the new thing what we call as the in-country payroll provider strategy - so we have acquired ability to service 100 countries on our platform, what we were investing in last two quarters to get prepared for that. As of now, we are in that range where we can service around 100 countries through our managed payroll business. Second, the implementation in some cases used to take five to six months of period of time in traditional way - that means cash inflow would take that much time; so we have released our speed - what we call as the Artificial Intelligence enabled delivery tool - which we have successfully done in this quarter, with two of our customers having gone live in five weeks' time, instead of five to six months. We will be deploying that into more and more countries within our platform. We see there is significant improvement on our implementation ability in speed, which in turn help us in revenue growth and cash flow - mainly into the cash flow. Similarly in each one of them we have done. I think the strategy and measure what we have set up is significantly up from here and good outcome seen within the short period of time. To go to the greater extent, I do not want to make forward-looking statements, but fair to say that significant growth is what we are anticipating and we are prepared for and that is what the preparations we are doing with reorganizing within ourselves.

Question: Another thing like the Asia issue - can you highlight what exactly is not working for us in the last two quarters or you can throw some more light? You had briefly mentioned the order book getting slowed due to markets not opening up. Apart from this, are there any particular issues in Asia or we expect to reach back to that $14 million mark on may be even above that?

Answer: We absolutely will be reaching that or above that - because it is not the product or any other issues what we have. It is purely related to the COVID and countries in lockdown. I think it is the external environment and we cannot do anything, except waiting for these countries to open up and it will bounce back. I think there is no weakness other than that in the markets we have seen, it is more to do with the markets.

We hope may be at least from January, we will start travelling there and talking to them and getting orders, because many of them like to see physically the vendor and the product and even during implementation, they want our people to be there physically. Remotely we were able to do for US and we were also able to get local people. Here most implementations are getting physical, the customers are getting disappointed, so there is whole lot of issues coming up in Asia compared to the same thing in United States. So that has hurt us in many ways.

Even Asian customers I think we have seen there, some areas they are delaying the go live, they are also postponing the things due to the COVID impact and sometimes they are asking to reconsider - all of those are related in Asia or more to do with the countries themselves are in the grip of this COVID; that is the external force we are also battling.

Question: Thank you for the opportunity. My first question is on recurring revenues. Given a good portion of our business is on SaaS, with increase, I would have thought that the recurring revenues would only go up. This is generally the trend in most SaaS companies - the recurring revenues trying to go up dramatically with more and more implementation because the base will remain stable for longer period of time, but that is not the case in our company, could you elaborate on this please?

Answer: If you see the fact sheet, the recurring revenue has not gone up very greatly because in our case it is a combination of the subscription revenue where we have gone in SaaS model and the AMC. These two are the components of this one. Recently only - mainly last year, taken some steps to move away from the license model in the HRP business and move to the subscription model. Whereas in the other portion, in BPO, around one million was the billing in last Dec, which has now jumped by 50%, with current run rate being 1.5 million. This is also recurring revenue though we classify under services, since this is nothing to do with the license. You can see the improvement of 50% in the recurring revenue in terms of our payroll business.

Mainly, I think it is the SaaS when we are calling most of that is in the HRP business is on that module and actually we have seen good improvement because we are going live faster - you can see that around 50% - one million which was in December 2019 quarter to around 1.5 million now which is around half a million we have added onto that business. Though it is services, it is related to our platform - only on our platform we provide services. We do not provide anything else where basically customers who have gone live on our platform and that is what put that into these services.

I think at least we have to grow now that we have more alliances and more countries coming, we can probably say our recurring revenue will be more.

Question: I am little confused - so basically your recurring revenues that are shown as recurring revenue in the fact sheet, is a mix of AMC and subscription revenues; BPO Services revenues also, you say it is quite recurring; so why there is disconnect in the sense that the BPO revenue is growing so fast, but the recurring revenue as we see it as a combination of subscription and AMC it is broadly stagnant. If the BPO is growing I would have assumed that the subscription revenue should be growing. So why is that number broadly stagnant because in listed SaaS companies that we have in India, that number is growing quite rapidly at above 25%, 30%, the subscription revenues, so this disconnect is the confusion for few of us in the call?

Answer: There is no disconnect. It is our conscious shift towards more focus on the global payroll. That is why you are seeing more and more of payroll business that is reflected in the service revenue, where we actually go live in more countries.

Just to give you an example, when we book for payroll, we are looking at that is the recurring revenue for SaaS, the point is we book it on the BPO because we are also doing managed services for them. For example if I do payroll for $5 per pay slip for a month, it is not that that alone - we are also doing the BPO Services; so, that comes under the BPO rather than in the recurring revenue. In the recurring revenue, it is mainly AMC on platform licenses, ERP. More and more things are going towards managed services and that's why, you are seeing faster growth in the BPO.

I understand your question - what you are saying is that we are seeing the growth in BPO we would expect similar growth in the license and recurring revenue - I think license and recurring also has the components of all other area it is just not on the payroll. So most of the payroll in fact the one unit which is growing - that is what we are seeing most better indicator is on the BPO services - that is the one which also will grow and you are right it should also start reflecting in recurring revenue also to start growing up, this is that space.

Question: Broadly my understanding here is that whatever growth that we have seen in our payroll cloud orders is being reflected primarily in BPO for now and going forward we will see some more growth. So the subscription revenue that we have seen recurring what does it comprise of - what portions of our entire business does it comprise of?

Answer: It is basically AMC on license revenue for ERP and other platforms - logistics also there is a platform; sometimes we are also giving it on the subscription model even in the ERP and logistic - that also gets reflected into that under the product in the recurring revenue, these are the components.

Payroll - sometimes we just give the platform and not BPO services and that is only about 10%, 15% of the time now and that will reflect.

Question: Majority of the payroll cloud revenues or SaaS revenue is reflected in BPO am I correct?

Answer: Correct.

Question: That was helpful. Second question is could you speak about the Oracle and Workday programs alliances that we have; how do we see that shaping up, do you see that contributing materially going forward?

Answer: Absolutely. To give indication on Oracle and Workday - recently certified with the Workday for a country and we have started for other countries and since then we have seen significant jump in our pipeline perspective and that is in the range over 30% to 40% increase, we have seen both in the Oracle and Workday side. I would say in the past, it started moving after announcing the alliances, now it has started growing much faster post our certification completion and we have issued press release also last week announcing that one and we see more collaborative work and joint prepositions, joint bids in all regions, we are seeing all across the company and probably in the next two quarters we will try to give real impact of that in dollar terms what we have seen increase in our order book position because of these alliances as well. That would give the indication that it is on track and this based on the pipeline, giving the indication that it is looking very strong.

Question: That was very helpful. Could you comment also on the leadership, does the board intend to appoint a new CEO to replace the outgoing CEO, so how do you see that going transitioning over the next two, three, five years?

Answer: Currently, this is the model which we have adopted - the distributed leadership model and the executive leadership is chosen from the leadership team here and I am leading the leadership team that is the model which we have adopted and I will also invite Mr. Chairman to answer this question.

We did discuss on whether we have a CEO. We found that our business is fairly involved and complex, with a lot of knowledge and so on. So we felt that any new CEO coming in and doing that will take long time for us to settle the thing. We have enough opportunity on hand and we do not have time to reorganize like that. That is why we all felt that we take the brightest and best of our people and then reorganize, put in proper procedures and move forward. Actually I can already see the last month or so the positive impact.

Question: My last question for now - could you speak about the bad debts in general, are they permanent, do you expect us to recover the money and why is it so persistent in our business?

Answer: Basically, we are very high touch business. Some of the smaller companies which orders we took, trying to make sure that we have the order books coming in and which we have stopped now, many of them go forward and they are successful, but some of them have difficulties in implementing the product and in this pandemic, some of the companies are closing down. Negotiating with them and trying to see how we can work. With all these, therefore we feel that it is prudent that we take these provisions. This is very dynamic because ours is high touch product and not like SaaS where people come and go. Also, now what we are trying to do is to make sure it is not persistent anymore and we completely cleanup the whole. This problem said, we are also making sure that we do not take orders which we are not confident that the customer can actually absorb what we are giving, we are not taking those orders and we are also saying that we will not take orders unless it is a bigger company / anything less than a million dollars we will not take and we want commitment from them, so we are far more diligent in taking the sort of orders also.

Just to give an indication, our average deal size also has significantly increased because of that and we have reached around $1.6 million average deal which used to be sometime back around that $170k - from where these change has already done. We have in fact taken this cautious call to only deal with the larger companies and multinational companies and that already is reflective in the order position for us around $1.5 million odd is the average deal size. That is the indication that we have taken the corrective action there; however, due to some of the previous ones in ongoing implementation and what we have done, so it is prudent to make that provision base on our experience. What we do is we assess that risk at the beginning of the year with the auditors and then assess what is required for making provision in the books and we take that call. But as we move forward, we are putting things in order, it should stabilize, and we should not see this once we completely move into the much larger customer; we are progressing towards larger and larger customer and opportunities.

Question: We are expecting net profit next quarter, total pending orders next quarter how much comes with? Are we expecting profit next quarter?

Answer: It will be very hard to guess about next quarter's profit because it depends on what all orders we are going to get. If we are going to get decent value license orders, it could turn the numbers, otherwise with the same level of expenditure and same level of revenue, it will be difficult to predict the profit in the next quarter.

Question: All segment total pending orders next quarter how much completed?

Answer: Pending order is $180 million plus as on September end, which will be executed over a period of average three-and-a-half to four years.

Question: Next quarter, how much will be completed?

Answer: Overall recurring revenue will be consistent, based on the existing orders. We are consistently doing for the last few quarters at the range of $14 million to $15 million from the existing orders; rest, typically are from the new orders. That is how it has been historically.

Question: What is the logistic software updater?

Answer: For the logistics software, we had two major customers of which, one went live in some of the regions. We are executing those orders, with whatever indications we have given that will continue in the same pace.

Just to give you clarity what are the things. In logistics, it is a new product line meant for large customers; so currently we are implementing for a few very large customers and some of them have gone live and some of them expected to go live; so basically, we are now focusing to make sure that we serve these customers well, before we start accelerating the new orders. Now we are making sure that we package it well and get these things stabilized before we move forward, but the potential seems to be very good and we are also forming a management team for that division separately which we will talk about the coming quarter.

Question: Thanks for the opportunity. Coming back to now Asia Pacific which has just opened up in the month of October, which are our business units we were looking for higher sales?

Answer: In all the countries we operate in Singapore, Malaysia, Indonesia, Philippines, Greater China, Hong Kong and of course Australia and New Zealand. Australia and New Zealand has actually opened up in the end of October because city by city, New Zealand is still not open for the outside world, but at least internal it has opened, Queensland has opened for internal, but not for the external similarly for Victoria it has not opened up externally, so the same as Singapore or Malaysia or any of this market is not opened for external more impacted, so hopefully indication looks like in middle of November onwards it should actually start opening up for business from outside and intra-country as well.

Question: My question was which business we were getting more business from this APAC market which you are into?

Answer: It is all three business lines ERP, HR and payroll and aviation as well, we were having exposure of that all across three business lines.

Question: In this quarter, particularly we have seen substantial decline in aviation and Mr. Raja in opening remarks said that two deals were lost or deferred; so can you give some color and how are we seeing a high project pipeline?

Answer: There was one aviation deal and one HR deal, but more than that we cannot talk about. But there are other deals we are discussing and it is not that we have lost the deal, because wherever we demonstrate and show up, people really like Aviation Products, because it is one of the most matured product. Large customers have a large cycle to decide.

To your second question what we are seeing in the aviation pipeline, Aviation deal pipeline is strong. In fact, in advance stages in many other areas.

Question: Can you give some color, the deal pipeline and size wise for each business unit?

Answer: We cannot talk about individual deals or pipeline because it will affect our deals; also lot of NDAs and so on.

We are seeing a good amount of growth when I indicated earlier about the average size which is increasing. From HR perspective we are seeing good growth and from the defense perspective, we have seen good pipeline addition - that is across all geographies that would also surpass our diversification effort beyond Asia, so that we have seen in all geography wise. Of course in the logistics also, that being a very specialized product, we have been very cautious in which area we are going, because it is made for real large LSPs and that segment also we are seeing good addition. ERP is a market which we are traditionally being there and that we are seeing the digital transformation area into the ERP deals. The highest are these three areas which we have seen consistently growing in the past, in last three quarters, even during the COVID, consistent growth in this pipeline.

Question: How was the month of October had gone and overall signing perspective, some color?

Answer: Few deals are signed and few are in negotiation, so that is all we would be able to divulge at this time.

Question: Now coming to the bad debt provision you said that it will be sustained, so when do we expect that overall the size of around Rs.50 Crores plus coming down over a period of time?

Answer: Like we said, as the deal size would grow up, we can come out of older and smaller deals. We can expect it coming down after next four or five quarters.

Question: Till that it will remain and sustain at this level?

Answer: Yes.

This is the current estimate what we have.

Question: Till our topline will not grow substantially, our bottomline improvement will be little difficult, is that fair understanding?

Answer: It will not affect the cash flow.

The provision is more on the bottomline and the impact on the topline we will not have. Topline impact is for different reasons and thus we see as it eases that will start improving. There are two factors coming together what you are seeing in the quarter and either of them working, should start seeing difference.

Question: Until that next two, three years our tax rate also will remain in the little high area till I mean the whole past tax loss is not adjusted?

Answer: For this half year, because standalone result itself is negative, there is no provision for MAT. In fact, we have reversed $0.14 mln of deferred tax, but overall, some of the subsidiaries are doing good, for example, if we take this quarter US has done well, New Zealand we have got one new order, so we have made provision for the current taxes, so it will depend on which of the subsidiaries are making profit. If we come back to the book scenario on the standalone profits, the MAT will continue.

Question: Just timeline you have in mind the standalone will be able to really come back on positive side?

Answer: We initially thought will be able to wipe out all the accumulated losses in one-and-a-half years to two years, but H1 did not go well with the standalone thing, so it may take another two-to-two-and-a-half years to absorb all the accumulated losses.

Question: Can you elaborate on the defence subsidiary or the compliment that you have opened and how are we looking at the opportunity and little bit light on defense in US or is it like what?

Answer: Aviation and defense products we have been working for several years to perfect to handle all the statutory requirements and all the defense requirements to handle contract and we have been succeeding in getting orders from different subcontractors so far. Our product seems to be fairly strong where there is a lot of interest even for certain defense deals, which subcontractors wanted to take us directly on us in the US and other western markets for which they want us to have a sanitized subsidiary which is basically all defense cleared, with the board of directors of that subsidiary to have some American citizens and so on. The defense subsidiary will be a subsidiary of our existing US subsidiary and that will be completely isolated for some security reasons and so on. All the implementations will have to be done by US citizen or other citizens of that country whichever is country we are going to, so that is what we are setting up. There will be quite a good pipeline for that also. This will also help us get orders from other systems integrators and defense subsidiary integrators because we will have more security clearance, it will be easier for them to make decisions. Today we are getting decisions, but the decisions are getting delayed by two, three months, because they want to make sure that all these things are in place because they give us an order. Now with all these things that we can cut short the cycle time of getting orders. In some orders where we cannot participate today, now we can start participating. This is how other companies which are friendly to the US setup and they are okay with us also from India.

Question: Second question is a little bit longer, I have been an investor in the last five years in this company actually, so what you have been seeing, we are revamping your product, trying to increase your order size, go to better customer, better markets and logistics you have created new product and a different spot line and HRP have done this connector with Workday and aviation you have been established, so can you say with the good probability I am not saying there is no guarantee anywhere but high probability that from this 20 million, 25 million order win we can go to the next level, because you also said in some of the previous calls that we do not want to chase orders without establishing and stabilizing our all aspects of business with respect to customers because it is a word of mouth business, so are there yet or we are still in that investment phase where we have a lot of things to bid for the next one, two years? This will go ahead and start growth.

Answer: Few products line we are there and one or two product lines we would take at least another quarter to get there. Now it is a question of execution by the team. In some of the product line, for example like in aviation, there is a one major implementation going on and there are few major orders they are negotiating, given that the aviation can start really growing at least by last quarter or quarter after that, they are completely ready. HRP and payroll products is actually ready rapidly, but with the hyper automation we can even get faster. The logistics product will be ready for such actual rate of risk and team we are forming and everything by probably first quarter next financial year. We are still at least five to six months away from being there. The ERP is a steady product that will be there, but to hyper accelerate like I said in the last quarter we have to actually get the model user interface and all those things going and it is a very large product we are working on the fundamental issues on how do we transfer our existing UIs to the modern UIs and experience as rapidly as possible, so lot of homework is going on. Though we were anticipating that we can actually do little bit faster, it turns out that we need to do a lot more background work before we can get that change for it, but having said despite that we are actually in negotiations with some very good orders, so that can also grow, but to get to the level we wanted to grow, we need to get the technology experience coming through which will also percolate to other products, so that is where we are in these four product lines.

Question: One small request if you can put up a presentation little bit if it is possible outlying your different products and competition like other IT companies do, product companies do like, Intellect keeps putting up presentation on what are the product lines, who are their competitors, what they are trying to do with each products so that it is easy for investors to understand and track on a consistent basis, it is my request.

Answer: That is a very good idea actually and we will do. Do they put it in their website?

Question: They share as a presentation. They just put up all the product lines, their strategy and the competition and they discuss questions on the pipeline and discussion on the questions on the concall, so that it becomes easy for us to ask the right questions and if you can pivot us in the direction that you want us to steer the company.

Answer: We will understand what others do and we will try to see how we do.

Moderator: Thank you. Ladies and gentlemen we will take that as a last question. I will now hand the conference over to the management for closing comments.

Chairman: Thank you everybody and I appreciate questions and your understanding and I hope we will be able to give you steady and predictable performances in the coming quarters. Thank you very much.

Moderator: Thank you very much. On behalf of DAM Capital Advisors that concludes this conference. Thank you for joining us and you may disconnect your lines. Thank you.

FACT SHEET AS ON 30TH SEPTEMBER 2021

CONSOLIDATED INFORMATION

Figures in USD Million, except where stated otherwise

	Quarter Ended								Half Year Ended		Year Ended			
	Sep-21	Jun-21	Mar-21	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Sep. 30, 2021	Sep. 30, 2020	Mar.31, 2021	Mar.31, 2020	Mar.31, 2019	Mar.31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited $	Audited $	Audited $	Audited $
REVENUE - STREAMWISE														
Products	7.80	8.15	8.65	12.16	10.78	8.91	6.98	10.36	15.94	19.68	40.50	37.25	45.98	37.91
License	*2.43*	*2.66*	*2.81*	*6.63*	*5.25*	*3.86*	*1.82*	*5.14*	*5.09*	*9.11*	*18.56*	*17.14*	*27.92*	*21.59*
Recurring	*5.37*	*5.49*	*5.85*	*5.53*	*5.52*	*5.05*	*5.16*	*5.21*	*10.85*	*10.57*	*21.94*	*20.11*	*18.05*	*16.32*
Services	11.27	11.02	10.87	10.96	10.57	10.52	11.56	10.31	22.29	21.08	42.91	43.33	31.65	*35.13*
BPO	*1.52*	*1.51*	*1.46*	*1.42*	*1.37*	*1.36*	*1.40*	*1.11*	*3.03*	*2.73*	*5.60*	*4.29*	*2.93*	*2.84*
Other Services ^	*9.75*	*9.51*	*9.41*	*9.55*	*9.20*	*9.16*	*10.17*	*9.20*	*19.26*	*18.36*	*37.31*	*39.04*	*28.72*	*32.29*
Resale of Material	0.09	0.06	1.07	0.22	0.21	0.02	0.06	0.15	*0.15*	*0.23*	1.50	0.44	0.73	0.11
TOTAL	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**18.60**	**20.81**	**38.38**	**40.99**	**84.92**	**81.03**	**78.35**	**73.15**
REVENUE - BUSINESS UNITWISE														
ERP	7.03	6.97	7.08	9.03	8.48	7.16	6.97	6.44	13.99	15.63	*31.74*	*32.00*	*28.12*	*31.32*
HRP	6.30	6.41	7.24	6.49	7.64	6.24	7.13	8.28	12.71	13.87	*27.59*	*30.26*	*30.70*	*23.68*
AAD	5.83	5.85	6.28	7.83	5.44	6.05	4.50	6.09	11.68	11.48	*25.58*	*18.77*	*19.53*	*18.14*
TOTAL	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**18.60**	**20.81**	**38.38**	**40.99**	**84.92**	**81.03**	**78.35**	**73.15**
REVENUE - GEOGRAPHYWISE														
Americas	4.63	4.63	4.35	5.50	4.41	5.59	3.41	3.85	9.26	10.01	*19.87*	*14.43*	*17.26*	*14.42*
Europe	1.01	1.09	1.84	1.92	0.53	0.48	0.56	0.60	2.11	1.01	*4.75*	*2.51*	*2.05*	*2.12*
APAC	6.03	6.63	7.00	7.84	9.72	6.94	7.93	9.34	12.66	16.64	*31.50*	*35.13*	*32.27*	*24.65*
India	5.21	3.85	5.23	6.29	4.42	4.26	4.41	4.24	9.07	8.68	*20.18*	*20.28*	*16.07*	*18.60*
MEA @	2.27	3.02	2.18	1.79	2.47	2.18	2.30	2.79	5.28	4.65	*8.62*	*8.67*	*10.71*	*13.37*
TOTAL	**19.15**	**19.23**	**20.60**	**23.34**	**21.56**	**19.44**	**18.60**	**20.81**	**38.38**	**40.99**	**84.92**	**81.03**	**78.35**	**73.15**
BOOKING - BUSINESS UNITWISE														
ERP	6.08	6.61	7.15	4.79	12.99	7.05	4.05	2.62	*12.69*	*20.04*	31.98	26.70	38.75	43.58
HRP	8.98	4.76	9.43	15.66	8.18	6.73	4.81	15.56	*13.74*	*14.91*	40.00	44.25	47.52	46.66
AAD	4.61	8.38	6.94	17.95	5.37	7.58	4.28	11.62	*12.98*	*12.95*	37.85	19.54	30.65	13.84
TOTAL	**19.67**	**19.74**	**23.52**	**38.40**	**26.53**	**21.37**	**13.14**	**29.80**	**39.41**	**47.90**	**109.82**	**90.49**	**116.91**	**104.08**
UNEXECUTED ORDER BOOK #	**189.72**	**189.33**	**182.67**	**177.77**	**164.90**	**163.99**	**166.55**	**176.29**	**189.72**	**164.90**	**182.67**	**166.55**	**166.00**	**153.00**
CUSTOMER METRICS														
Revenue from New Customers (%)	8%	10%	29%	31%	20%	18%	14%	21%	*9%*	*19%*	*25%*	*19%*	*33%*	*24%*
Revenue from Cloud orders (%)	46%	51%	43%	44%	36%	37%	40%	45%	*49%*	*36%*	*40%*	*38%*	*39%*	*34%*
Number of new customers added	12	12	14	9	15	12	6	13	24	27	50	50	80	85

$ Figures, other than revenue, are unaudited.
# Unexecuted orderbook comprises of new orders , renewals, reversals & adjustments for the base foreign currency rates in the current financial year.
^ Other Services also include infrastructure and hosting services.
@ Middle East and Africa (MEA) includes South Africa.

Disclaimer: