August 11, 2023

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Mumbai 400 001	Mumbai 400 051
BSE SCRIP Code: 543425	NSE Symbol: MAPMYINDIA

Subject: Submission of Transcript for Q1 FY2024 Earnings Call.

Dear Sir / Madam,

Pursuant to our letter dated July 31, 2023, please find enclosed herewith communication relating to Q1 FY2024 Earning Call. The said conference call with Institutional Investor / Analyst was held on August 07, 2023 to discuss the financial results of the Company for the quarter ended June 30, 2023. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For C.E. Info Systems Limited

Saurabh Surendra Somani
Company Secretary & Compliance Officer

"C.E. Info Systems Limited

Q1 FY 2024 Earnings Conference Call"

August 07, 2023

MANAGEMENT:	MR. RAKESH VERMA – CO-FOUNDER AND CHAIRMAN – C.E. INFO SYSTEMS LIMITED MR. ROHAN VERMA – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – C.E. INFO SYSTEMS LIMITED MR. ANUJ JAIN – CHIEF FINANCIALOFFICER – C.E. INFO SYSTEMS LIMITED MR. SAURABH SOMANI – COMPANY SECRETARY AND COMPLIANCE OFFICER – C.E. INFO SYSTEMS LIMITED
MODERATOR:	MR. SHOBIT SINGHAL – ANAND RATHI SHARES AND STOCK BROKERS

Moderator:	Ladies and gentlemen, good day, and welcome to MapmyIndia's Q1 FY '24 Earnings Conference Call, hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.
	I would now like to hand the conference over to Mr. Shobit Singhal from Anand Rathi Shares and Stock Brokers. Thank you, and over to you, sir.
Shobit Singhal:	Thank you, Carol. Good morning, everyone. On behalf of Anand Rathi, we welcome you all to Q1 FY '24 Conference Call of C.E. Info Systems or MapmyIndia. We have with us today Mr. Rakesh Verma, Co-Founder and Chairman of the company; Mr. Rohan Verma, CEO and Executive Director of the company; Mr. Anuj Jain, CFO; and Mr. Saurabh Somani, Company Secretary and Compliance Officer of the company. I will now hand over the call to Mr. Rakesh Verma for his opening remarks. Post that, we will open the floor for Q&A session. Thank you, and over to you, sir.
Rakesh Verma:	Thank you, Shobit, and this is Rakesh Verma. Good morning everybody. Well, I think we'll keep it very short, so that more questions and answers can be taken care by us. The Q1 quarter has been a very strong performer. Year-on-year, the revenue growth was broad-based with both A&M up 24% and C&E, up 51%. So if you see, we are delighted that our Q1 FY '24 results wherein MapmyIndia achieved all-time highs in revenue, EBITDA and PAT.
	EBITDA margin was strong for Map-led business at 54%. Even in IoT-led business, the EBITDA margin continued to expand quarterly and was at 6.3% as against 4.0% of last year. This is all because the SaaS income, as we have been talking in the past has started growing. Q1 fiscal year '24 PAT also reached an all-time high of INR 32 crores, growing at 32.2% year-on-year.
	During fiscal year '24, we outlined a 5-year vision of a growth roadmap for the company, and are putting in place the requisite foundations that will drive the long-term success of the company. We are also delighted with the surge in interest and usage of our consumer-facing Mappls MapmyIndia app amongst users, which resulted in Mappls app becoming the top app in the app store recently. This bodes well for the B2C future of the company in addition to its supporting our B2B and B2B2C revenues in times to come, where we have been traditionally strong for all these years.
	With this initial remarks, I would also like to add a bit on the Map-led and IoT-led business of ours. If you look at the Map-led and IoT-led business of ours, the very quick statement that I would like to make is the revenue from operations, while the total revenue from operations has been INR 89.4 crores, the map-led has been INR 66.6 crores and the IoT-led business has given us INR 22.8 crores. Regarding the EBITDA, while the overall EBITDA margin was 41.9%, the Map-led gave us 54.1%, and IoT-led gave us 6.3% compared to 4.0% in Q4 '23. So this is pretty much in line with what we had been talking to the investors as to how our IoT-led business will

keep gradually growing not only the revenue side, but also on the margin side. Rohan, can you now talk more on this?

Rohan Verma: Great. Thanks a lot, everybody, for joining us all. As Mr. Verma said, it's been a good quarter. Year-on-year revenue growth was broad-based. A&M, automotive and mobility tech was up 24%, and C&E, consumer tech and enterprise digital transformation, was up 51%.

Our A&M revenue, especially automotive OEM volume this continues to grow faster than the industry single-digit volume growth. So, in that sense, we are happy that we are outpacing that growth of industry volume. And a bunch of wins in A&M across 2-wheeler EVs, bunch of key go-lives happened, like Hero MotoCorp, which is one of the largest, if not the largest 2-wheeler companies. The new Harley- Davidson comes built in with MapmyIndia, and the flagship Hero companion app also is coming with us as well as some new premium Ultraviolette EV bikes went live. And then, of course, bunch of fleets, including schools, went live with our IoT solutions and even the offline distribution of Mapples gadgets is expanding.

And on the consumer tech side, we're quite happy that a lot of consumer-facing tech companies, large e-commerce players, D2C brands, food delivery companies, travel commerce size, they're all starting to use our APIs for improving their delivery address capture for improved efficiency, and this is because our maps are more detailed and accurate. Plus a lot of the ONDC enabled apps, now are starting to use MapmyIndia, and that means that we have a play in the increasing ONDC ecosystem, the Open Network Digital Commerce ecosystem. As well as corporates across industry sectors, be it BFSI, energy, consumer durables, they're all using our digital transformation platform for workforce management, geospatial analytics. And the government business also continues to grow across maps, IOT and drones. And specifically on IoT also video telematics used by large metal companies or upselling of more use cases with, for example, a large cement company. All this is taking place.

And as Mr. Verma said, our Mappls app, which is consumer facing, I think more and more people are realizing the benefits of it and the quality of our maps. For example, we give these 3D junction views, which help people figure out whether they have to climb the flyover or not. And that saves them 15 to 20 minutes time, for example, on a trip or getting the trip costs like toll or fuel, which helps them be more cost efficient, or safety alerts such as current street limits or speed breakers or sharp curves, while they're navigating. Now this means that more people are using our Mappls app, but also this starts to showcase the power of our maps and our solutions software to the enterprise customers across automotive and corporate and government. And so the knock-on effect of increased B2C usage will show up in the B2B and B2B2C business as well. That's what we hope. And of course, our B2C gadgets are doing well. So with that, I'll conclude my opening remarks, and we can take questions from the audience.

Moderator: The first question is from the line of Shobit Singhal from Anand Rathi.

Shobit Singhal: Thank you. Congrats on a good set of numbers. So I have 2 questions. Since the last 2 quarters, C&E is showing good growth and its contribution has increased than A&M segment now. So

how do you see this growth going forward in C&E segment? And also, how are solutions are used on ONDC ecosystem? So this is the first question.

Rohan Verma: Yes. So for us, it's our business growth, we look at it as a combination of A&M and C&E. The specific contribution of one versus the other...

Rakesh Verma: On a quarter basis.

Rohan Verma: On a quarter-on-quarter basis, it's not something we look at. Our objective is to grow our business across the board. So in that sense, we are happy with both sides, our automotive and mobility tech and consumer tech and enterprise digital transformation. Specific to ONDC, actually, there are a ton of use cases, which can make ONDC-based commerce and commerce players much more competitive, from a cost efficiency point of view as well as a customer experience point of view, and that's why they should be using MapmyIndia.

Now what is happening is the biggest pain point that these days people face is when they have to put in an address, residential address and get goods delivered or food or goods delivered there. And when they type in, for example, a Google Maps API, which powers a bunch of consumers delivery apps, then they are not able to put that house address. The delivery guy has to keep calling where to come, go to the backside or it takes some extra time for that person. With using MapmyIndia APIs, that delivery address capture accurately and navigable to the front door, is what we enable.

And the second is when navigating these delivery riders or delivery vehicles, the drivers and riders, there is typically a lot of churn is happening there, and they're new to the cities. They don't know the lanes. So like I said in Mappls app, these junction views, speed limits, speed breakers, pit costs, toll cost, all of that is there. People are able to navigate safely and more efficiently, cost effectively. And in the delivery segment or logistics segment, this has a strong impact on profitability of these companies, as well as the customer experience. So that's where ONDC-related folks who are coming with a fresh fine set of reimagining commerce, are being able to work with us without those legacy packages or legacy tech systems. And we believe this is a moment to create new commerce in the country based on better, more accurate maps than the legacy Google system, and that's where we are also having a lot of initiative and joint collaboration with ONDCs. So that's the exciting thing.

Shobit Singhal: Okay. Sir, my second question is, so July month, automobile sales growth has been very strong. So how do you see growth for A&M segment for the year?

Rohan Verma: Yes. I mean we'll be in line with or above industry growth. So I mean, it's a pretty steady business as more and more also new platforms go live in the next year, especially the large EV platform, then we'll see some even more uptake. So it's a steady state right now, and we're on track for what we want to achieve over the full year. I don't want to go quarterly. I mean, I request everybody to look at MapmyIndia from a year-to-date, year-on-year point of view. And in that sense, we are on track for the year.

Moderator: Thank you. The next question is from the line of Sampat Nayak from Tiger Asset Management.

Sampat Nayak:	Congratulation for a good set of numbers. So I have basically two questions. One question is on growth trend. So, we are clocking a good growth. So can you tell me where this growth is coming from and how are we placed for FY '24 and '25?
Rohan Verma:	The growth is coming from across our market segments and across our products, okay? So this is automotive OEMs, mobility fleets, logistics fleets, consumer tech companies, traditional corporates, government. It's broad-based, in every segment, we have a large open order book, as you know, at the beginning of the year, it was INR918 crores. So as we deliver on that order book, our revenues start happening, plus we've added a bunch of customers in the last year, the number went up to 850 plus from 600, so about 250-plus customers were added.
	So as those customers ramp up, our MaaS, Paas, SaaS revenue starts going up. And what we've kind of said is we did the Analyst & Investor day and we put up the presentation back in June. There is a path that we see towards crossing the milestone of INR 1,000 crores of revenue in the next 4 to 5 years. And for this coming year, we are anyway planning for a 40% plus type of growth. So we are on track right now, and we'll see how that develops or builds up by the end of the year.
Sampat Nayak:	So my second question is regarding drone business. So in your previous con call, you said you're venturing into drone business. So can you tell me about what exactly like what services you're in to, whether you do manufacturing or software or services, and also the total addressable market of this segment?
Rohan Verma:	Yes. See, in drones, what we have positioned ourselves in the market, is we're a full stack solutions provider. We can supply drones to customers who need drones. We can also provide services based on drones or solutions based on drones, meaning that we can fly the drones on behalf of our customers, acquire data, analyse that data and deliver them the relevant output. And also, we are systems integrators where drone is just one part of the solution. And of course, we have a strong capital base, strong credentials as a company. So, in that sense, we are better off than the many small players in the market, as well as people who are only pure-play drone providers because we have a lot of our own products and platforms that customers need.
	The market segment it is going into is mapping and survey. The country is doing this big exercise around SVAMITVA or other kind of survey and 3D mapping, we are participating in that. Even for smart cities or state-level government projects. But even on the private sector side, whether it's manufacturing or energy companies which want drone-based mapping done, and there will be more use cases that will build up as time comes, as we expand our product portfolio organically and in conjunction with our inorganic investments, that we have been making. This is a large addressable market. I think people have talked about it enough in the market, and we believe that we can participate in it nicely and strongly in the time to come.
Sampat Nayak:	Just one follow-up question. So like what is the revenue that you have clocked so far and where do we see ourselves in the next 2 to 3 years in this segment?

Rohan Verma: We've not broken out segment wise this drone segment. It is something that we've talked about as a third pillar for the company in the times to come. At the right time, we'll talk about it. But right now, we don't separate it out as a segment.

Moderator: Thank you. The next question is from the line of Amarnath Bhakat from Ministry of Finance of Oman. Please go ahead.

Amarnath Bhakat: Yes, hi. Congratulations for a fantastic set of number and walking the talk as well, that what you are saying is delivering. That's very nice to see. I have 2 set of questions. First of all, this 30%, 35% growth for the next 3, 4 years, as per your business plan. How it would be the mix of that growth means it would be mostly from the map side or mostly from your IoT side? The very purpose of asking this question is, as you know, that your margin for the Maps side is quite higher compared to the IoT side.

So if the revenue growth comes more from the other side, the second side, it could have the impact on the overall margin and return on capital employed. So can you please guide us a little bit, this growth, which is coming, how the ballpark ratio between this map and IoT services related and how the margin will look like? We don't need a guidance, but considering the margin at that moment, 40%, 41%, something like that, will it be maintained something like that, or it will also have an impact?

Rakesh Verma: Okay. Let me attempt to answer your question. You have a very valid question. There are a few things people go by perception. If you think about it, how many companies even have a 50% margin on map business worldwide, probably no one. Similarly, if you're thinking that the IoT led business will be, since it's hardware driven, so it might have a very low margin. A drone business probably is still not fully understood in the marketplace. So the similar perception may happen. So why I said all this, is how you create solutions to solve the problems in the marketplace? What can you do? And what is that execution method you follow has been the secret sauce of MapmyIndia's success so far.

And there's no reason why that secret sauce will not continue. So, in short, I can assure you, be it IoT, be it drone or be it map, we look at all of them together as 3 pillars of the company. And then we try to see how the overall business growth happens.

Amarnath Bhakat: Yes, I got your point, sir. And I'm just trying to understand, overall, considering the business mix you were thinking, whether IoT, drone or all, how the margin picture will look like, because finally, it ends up into the margin picture, and as you just now said, you are one of the probably one that who is getting that margin, 40%, 41%.

And eventually, that kind of margin will attract severe competition, either nationally or internationally. And to protect that margin, I don't know what kind of a moat we have that the others cannot do that, and we can continue to have that margin.

I'm just trying to gauge a thing, at the moment, what you are doing is something with unique but going forward, considering your growth and the huge amount of the margin and return on capital employed, surely, it will attract the different competition. So I'm just trying to gauge a thing that

we are only getting the guidance about revenue, but we're not getting the sense how the things will go around considering the current situation, which is very flattish.

Rohan Verma: Yes. I mean you talked just about moat and related to that margin question. So I'll just say that, look, it's not easy to build a map data product at the scale that we have been able to build, which is using the entire country, and we are not stopping just here. So the business that we have built, definitely has a very strong moat, it's not replicable by just capital that anybody else can potentially deploy.

The amount of IP or intellectual capital that has gone in and the time investment, and then this ability to create so many use cases and so many products that we have created, usage of which further enhances the map. There is nobody else that has this ability. Of course, people will come in and try. They have in the past also -- I mean, since MapmyIndia has been in business, which means since '95, there have been GIS companies, there have been people who have tried to build data products. I mean on the big ones, not just the small ones. They have not been able to manage it.

And what we are doing now is we are making significant further investments in further advancing the maps, what we are calling this 4D high-definition digital map twin. That's why this drones and IoT is seeing an important role in getting us towards the next set of advanced map data products.

And on the software side, we are covering various market segments, automotive and mobility through NCASE and logistics SaaS, including hardware, and on the consumer tech, a whole range of APIs so that to enable any consumer tech company, and then a full-fledged digital transformation platform for enterprises. So in that sense, we are shoring up our moat and try to expand it further, and that will keep us differentiated in the market.

Look, our objective is to grow our profits, okay? On the 4 and 5-year time horizon, we see a very large revenue that is coming up, a milestone that we will get. We are focused on that. And what Mr. Verma said, our DNA of execution is to make sure that we are capital efficient. Whatever the other players may do or not do, if our products are strong, we continue to innovate and we execute efficiently, I think we'll be in a good position.

Our objective with the Investor Day was to give a sense of use cases and revenue growth, we definitely did not want to focus that conversation on what the margin is. You will see that build up in the next year or so, which might give you some analysis or confidence for the future.

Amarnath Bhakat: Okay. My second set of question, sir, would be your international part of the business. In your presentation, you said you already extended to 200 countries. I just want to know that growth from that international businesses and is that business secured a similar margin what you do in India? And how do you project yourself on that international mapping thing? And compared to we have the Google in our plate always. So India, maybe you have a government protection, in terms of using the map and the foreign companies can't really go to that detail, which the Indian company does, but that is not true for the international market.

Rohan Verma:	India provides no government protection to MapmyIndia, okay? Google has been in the market and done really what they wanted to do since 2007, '08. And in fact, they have been the ones which have taken advantage in some way or the other through the monopoly and flouting whatever regulations there were. So if anything, despite an unfair advantage, we have built up such a strong business in India, okay?
	The situation going forward into the future may be different. But if history is a track record, then we are winning based on our competitiveness and our innovation and our market execution or nothing else. Now when it comes to the international business, we have said since the IPO time, that this is a story that will develop in the next few years, and we are working hard towards that exactly. I don't have numbers to tell you right now, and it is not part of the revenue estimation that we have given for this year. But I can tell you that there are increasingly customers who are starting to take us for our international maps. We are actively building international maps for various geographies where we believe our customers are there -- I mean, our existing customers are already there, and we are talking with them expanding with them. That's an efficient way of expansion. And again, all these international markets, given how we've been able to build a strong map data product in India using all sorts of technology, we will bring that to bear for these other countries where actually there were some prior public mapping infrastructure already. But in fact, in many countries, we are told that Google is not the preferred option or Google is not able to satisfy the market needs. India has taken a lead in the ways in which mapping is being used. That, combined with our software solutions, our IoT systems, our drone solutions, I think, will position us well when we go stronger and stronger into those international markets. It's a story like consumers that you will see in the next couple of years develop.
Amarnath Bhakat:	So currently, your revenue projection does not include anything from the international? So anything comes out of that will be in addition to what you already predicted?
Rohan Verma:	I'm not trying to say that. I'm not trying to say that. I'm just giving you a sense that in this year, in this year, we have not, because somebody had asked me a question even a few quarters ago, that what will your international revenue be in FY '24. I said, don't count on that. We are focused on executing. I'm not giving any new revenue picture based from what we gave in the June Analyst and Investor Day.
Rakesh Verma:	Please understand that in our Analyst Day we have talked about our road map to INR 1,000 crores. Every revenue from which country and which place, definitely, we have not talked. And this year, definitely, we are saying that our growth is designed and supposed to happen from the India story only.
Amarnath Bhakat:	Okay. Thank you, sir. Thank you for patient and answer. Thank you very much.
Moderator:	The next question is from the line of Anmol Garg from DAM Capital. Please go ahead.
Anmol Garg:	Yes, hi guys. Congratulations, good set of numbers, and thanks to the opportunity. So I have a couple of questions. Firstly, we have seen a strong growth in the IoT business this time both sequentially on a Y-on-Y basis. So just wanted to correlate that with the cost material, which actually has seen a bit of a dip, if you look at it on a sequential basis. So would that mean that a

large part of the IoT business would have come from renting the devices rather than sale of the devices, or anything like that, or how should we correlate on the same?

Rohan Verma: Anmol, look at our business on a year-on-year basis, please, we don't do this quarter-on-quarter. Year-on-year, cost of material has gone up, okay? But of course, you have also seen our IoT business margins continue to expand. So that's that.

Anmol Garg: Okay. Okay, sure. And secondly, just wanted to understand the B2C part of the business as well. Currently, as you guys shared that you are not generating any revenue over there, but that app is gaining a lot of traction. So any plans to monetize the app in any way in the near to medium term to long term as well?

Rohan Verma: Yes. For now, we want everybody to start downloading, I mean, the Mappls app. What we are liking is people are loving the app. They are telling each other to download it because it helps them. Obviously, there is a knock-on effect on B2B and B2B2C. As I said, the more people who use Mappls app, the more it helps us our business in general. That's what is there. And of course, over time, there are a number of ways of monetizing our consumer business. But again, it's not something we want to talk about right now, our focus is if you all can also, I mean I'm saying this tongue in cheek, if you all can also get more people to download the Mappls app it will help you and help us.

Anmol Garg: Sure. And lastly, one thing from my end. Is it possible to make a breakup of the IoT business between auto and C&E. So basically, what I wanted to understand is the growth in the auto business, particularly in the map business out there. And also the realizations, if you can talk about, given that you have been talking about more and more EVs are coming up in the auto business.

Rohan Verma: What was the last part, you asked realization? I just missed the second...

Anmol Garg: So what I wanted to also understand is on the realization or the pricing part in the auto map business, given that more and more EVs are coming up in that business as your customer.

Rohan Verma: Our IoT business goes into both A&M and C&E as well, okay? And the automotive business is definitely growing faster than the industry volume growth. So I mean, there's more uptake of our solutions. Overall, if I look at automotive, 4-wheeler, 2-wheeler, CV, etc. I mean, across the 4-wheeler and two-wheelers, we are going well.

EVs, if all the new EV launches most at least, if not almost of them, are going built-in with our solutions. You saw the XUV400, which went live, the MG bunch of EVs, which have gone live. And they are large EV programs that are going to go live in the next years and 2 years, if you look at the automotive OEM road map, they also are talking about it. So obviously, that's going to be a great outcome for us a good outcome. I mean it's because EVs have more use cases for MapmyIndia, like addressing our range anxiety, or giving battery-efficient routes. And along with EV, even ADAS is happening where maps are playing an important role.

So I would say that we are happy with our automotive business. It gives us a lot of confidence in the long term as well because the connected vehicle journey really started in the last 2 years, our IPO year 2021 is when the first green shoots of connected vehicles started to come from the OEMs. And once connected vehicles have started to come with their next generation of platforms, the use cases for us have expanded. So this is definitely a medium- and long-term story, and that's why we are happy about it. And we are seeing more and more EV connected and ADAS vehicles, and even Mobility-as-a-Service starting to kick in, which will have good medium- and long-term impact on automotive.

Moderator: The next question is from the line of Mohit Motwani from Nuvama.

Mohit Motwani: Hi, thanks for the opportunity, and congratulations on good set of numbers. My first question is can you give us some sense on the number of IoT devices sold for the quarter? So good to see that the IoT margin has expanded quarter-on-quarter. But just wanted to understand that how many devices were sold.

Rohan Verma: See, we talked about the IoT device volume on a yearly basis. I can just say that we're on track. It's going well. It's going well. But specific numbers, we'll share at end of the year.

Mohit Motwani: So is it fair to understand that as your SaaS income has started kicking in with the 1.9 lakh devices sold last year in FY '23. These margins should continue to see an improvement going forward?

Rohan Verma: Yes. I mean, look at our business year-on-year is what I'll always say it will give you more reliable analysis. And in that sense, yes, what you have seen first 9 months of IoT business, it was roughly something like 1% but then in Q4 it went to 4%, that's 6.3% right now. I may have got that 9 months number wrong, but it's gone from 4% to 6.3%.

So we will continue to see gradual increase and that's our endeavour to have the operating leverage and the SaaS income kicking in, have a good impact on IoT business. Of course, you have to tally that against growth also that we want to drive because it's a pretty large market. So we have some internal calibration on where we want to see that.

Mohit Motwani: Sure. That's helpful. And one other question is on can you give us some color on the geospatial analytics solutions that went live during the quarter? Not naming customer per se, but just any of the solutions that could have gone live during the quarter.

Rohan Verma: Yes. See, when it comes to this geospatial analytics, customers, for example, are on a retail expansion spree, or they're looking at their retail network and distribution. And for that, what MapmyIndia is tell them, whether rural or urban, by area, in fact, down to a square kilometre or 0.5 square kilometre grid in urban and rural down to village level. And then across highways or roads at a very granular level, we can give them geo-demographics. That, as well as our analytics platform that allows them to correlate their first-party data, their own sales data or competitor information or data that we give about the market and come up with the analysis where to set up retail outreach is just one of the examples. There's, in fact, many more use cases that they have for us, and we tried to elucidate that in our Investor and Analyst Day as well.

So whether it's banks or its energy retail companies or its QSR companies or it is footwear companies, many of them are also publicly listed themselves or it is fintech companies. They're all using our geospatial analytics. One example is a negative area for credit risk assessment. Our credit risk assessment or go-no-go decisions on loans based on the area profiling from where the person is applying for a loan. So hopefully, that gives you some color on geospatial analytics.

Mohit Motwani: So these solutions would be falling mostly in the consumer enterprise tech space, right? Is that, right?

Rohan Verma: Yes. I mean automotive customers also do geospatial analytics and mobility customers also do geospatial analytics. I mean they are also enterprises in that, right? But you are right, broadly.

Moderator: Thank you. The next question is from the line of Amit Chandra from HDFC Securities.

Amit Chandra: Yes so thanks for the opportunity. So, my other question is on the IoT-led business. So here, we are seeing some strong growth. So as the earlier participant asked about it's a low-margin business. But if I see another major component of the revenue is the sale of hardware. So if you can clarify, is the sale of hardware just a pass-through? And if I see the services revenue, if I take the net revenue, the EBITDA margin is around 18% to 19% on the service part of IoT. So how do we see that moving?

Rakesh Verma: I mean it's not pass-through and the impact of SaaS income takes time, as we've talked before - so it's a complex calculation, not easily explained and probably not easily analysable because there's so many different hardware, which have different kind of SaaS components, etc. But in general, what happens is the hardware is not a pass-through. The hardware will generate in future SaaS income as they continue to subscribe to the service. And so that's why you're seeing a gradual increase in the margins. But again, like I said, it depends also how aggressively we push the hardware into the market.

Amit Chandra: So as the SaaS component increases, so the sale of hardware also includes some SaaS. So as we scale up. So I just want to try to understand is that when we gain scale, can this margin expand? Or is it going to be at the same level? Because only SaaS has a very high margin.

Rakesh Verma: See a couple of ways the solutions are given to the customer. One may be given as hardware with built-in SaaS that is known where the entire margin is a combination of the two. The other one solution could be where hardware is given earlier and the SaaS model kicks off later. So that's what Rohan was trying to explain that it becomes a little complex.

First is who the customer is coming, why we are doing it, so all these things, if you're trying to understand the IoT, that's why we are trying to help you with understanding our IoT-led business. Where it went up from 4% margin to 6% margin, and we see a nice growth happening over the quarters or the years to come. And then one more thing, overall try to understand that the 3 pillars work in tandem, the drone, the IoT and the map, they work in tandem. So there are companies who are just in IoT business. There are companies who are just in drone business. There are companies who are just in Map business. And one of the things probably to understand our uniqueness is at least I'm not aware but probably, there is hardly anyone who has tried to

combine the power of these 3 pillars together to create a business where the use cases are becoming enormous.

Amit Chandra: Okay. Okay. And sir, in terms of the opportunity that you have shown in Analyst Day also. So the major part of the opportunity is from the government and the mobility segment. So in our revenue, as of now, how much revenue would be getting from government and mobility?

Rakesh Verma: Around or less than 10% in that it's in the approximate so that's government. And mobility, I mean we talked about IoT here. So it's I mean these are relatively small contributors to the overall business.

Amit Chandra: Okay. So the government and mobility business could be included in the platform and IoT side?

Rakesh Verma: Depends, those are products map & data and platform & IoT are product cuts on our business, A&M and C&E are market cuts on our business. So you can't say that one market segment focuses only on one product. For every customer of ours, we have multiple use cases based on multiple products.

Moderator: The next question is from the line of Satadru Chakraborty from Chakraborty Family Office.

Satadru Chakraborty: Let me start first with something in the P&L statement. So in the consolidated P&L statement, I see technical services outsourcing, that line is shooting through the roof almost so that it is more than last year's, full year's results. Can you give us a bit more flavour on what that is? And how should we look at it in the future?

Rakesh Verma: Okay. Good point. If you look at the consolidated, I hope you, I think you are looking at the consolidated financials, right?

Satadru Chakraborty: I mean, it doesn't matter, both in stand-alone and consolidated, I see the numbers are really 4x. That's what I...

Rakesh Verma: What is the technical services outsourced in the consolidated? It is outsourced to our subsidiary when it comes to the IoT part is concerned for any of the items. That's one. The second is also when we try to use the services from outside temporary workers or otherwise in order to collect data and items like that. Third is Anuj? These are the two? So now if these are going up, that means two things are happening. One is we are building and spending more money as part of the internal creation of the maps and all that and the second is definitely for certain deliveries, if our subsidiaries is doing the work, then naturally, they will build, but as a parent company, but as it is consolidated now, it becomes the total amount.

Rohan Verma: Yes. I will just add to what Mr. Verma was saying, as our Map business or map product creation increases and even our IoT business increases. This is one of the costs that is going up. I mean, compare that to the fixed cost, which is pretty stable there. Employee benefits.

Rakesh Verma: If you compare that and see, the employee benefit hasn't gone up in that way..

Satadru Chakraborty:	Okay. Makes sense. My second question is on the C&E segment. So I think you have made a lot of points in the presentation. They are all very well taken. I was initially thinking of asking you how the market is evolving, but there are so many companies. I guess it is a very...
Rakesh Verma:	Not able to hear the question.
Moderator:	We take the next question from the line of Godwin Fernandez.
Godwin Fernandez:	In a recent interview, we came across a statement regarding the work that we have been doing for the defence industry. Normally, these defence companies tend to tie up with an R&D, with DRDO to develop some products. Are we into any of such projects and what are our prospects in defence industry?
Rohan Verma:	Our engagement with defence is going well. We have won business from the defence. We are in the middle of executing on that. And yes, I mean, it's something that we believe will expand further in the coming time because our products are quite well suited definitely from a technical point of view, but also from the Atmanirbharta, Make in India, point of view. So this is something that we see as an important area, where we'll do the strategic things, and we'll do the ones that are relevant to us and aligned to what our business objectives are.
Godwin Fernandez:	Okay. And my second question is, in the consumer and enterprising angle, we are having clients like HDFC Bank, Bajaj Finance into our portfolio. And recently, report from Morgan Stanley states that India's per capita will be jumping towards $4,500 within a span of around 6 to 7 years. So the industry or the space that we are into is having a huge, huge growth opportunity considering the kind of clients we cater to. And sir, how do you, because we have such large clients who are getting this mapping data and using it, how do we see other players coming into our mapping solutions?
Rakesh Verma:	BFSI and fintech is an important vertical. We have blue chip customers there, and we are adding customers. There are many, many players in BFSI and fintech customer segment for us. And we have blue chip customers, and we are adding more and more and we're expanding our use cases and usage with our existing customers. So it's an interesting space to be in. We're happy. It's like automotive for us. We're doing well there. I don't know about other companies like us and what they can do and can't do. But our part of maps, APIs, the digital transformation platforms in future where relevant, IoT, etc. or drone-based data acquisition. I mean there's a road map towards growth in BFSI and fintech for us.
Moderator:	The next question is from the line of Bharat Sheth from Quest Investment.
Bharat Sheth:	Very much an excellent result. Sir, I want to get some sense that the pipeline which we have given, say, INR 25,000 crores. (investor is referring to TAM) So can you give some kind of a break, I mean, direction, how much is, say, from our mapping business, B2C, B2B and mapping IoT and international, domestic? And when do we really start seeing those converting and going ahead?

Rohan Verma: We had done this Analyst and Investor Day in June, exactly to kind of explain that. We put the presentation up on the stock exchange. It's quite detailed. I suggest you read through it, you get more details from that.

Bharat Sheth: Okay. And when we are talking about 40% CAGR top line growth. So how confident are we on this kind of a growth?

Rohan Verma: We are working towards that.

Bharat Sheth: Okay. And there was always some kind of a seasonality earlier. So how do we see now with this kind of a business, the seasonality will again kick in? Or I mean...

Rohan Verma: Our seasonality, if you want to really observe then look at it on a year-on-year basis, seasonality, not quarter-on-quarter, I think from the very beginning..

Bharat Sheth: Will still remain there?

Rakesh Verma: From the very first earnings call 1.5 years back, we have been requesting all the investors not to just go by 1 quarter. For this year, if we are talking about a 40% growth, look at the whole year, if you see this quarter also, we have achieved a 37.5% or 38% growth.

Moderator: The next question is from the line of Sarang Sanil from RW Investment Advisors.

Sarang Sanil: Congrats on great numbers. So I have a couple of questions on the auto side. So, first question is, how are the contracts done with the OEMs? I understand the service is provided for 3 to 5 years. Are we getting the revenue upfront from these OEMs when a vehicle is sold? I wanted to know this, if there is an annuity part that we are getting from these vehicles? Or are we getting incremental revenue from these vehicles only by upselling additional APIs? That's my first question.

Rohan Verma: Yes. The auto business, basically, they come up with new platforms every couple of years and which have a bunch of car models or 2-wheeler models on which they figure out what all solutions to put in, and that's where we bag those contracts. And then as those vehicles go into the market, each vehicle goes built in with our solutions. We have to provide them the solution from the very beginning. And also, there are some components which have an annuity component additionally. So, revenue is both at the time of sale of the vehicle and potentially and increasingly, also, there are some additional monies that we get per year, depending on what use case, etc. And yes, beyond that, there are more use cases across, what we call our NCASE suite which is navigation and connected, ADAS, shared and electric solutions, there's more use cases that we are upselling to the OEMs.

Sarang Sanil: So regarding cost of ADAS features, how are the revenues structured? Because ADAS being a very critical feature in the car, once they're done providing service for the contracted period, post that who is going to pay us, is it the end customer or the OEM considering how critical it is.

Rohan Verma: I couldn't hear the question clearly. I mean -- but I mean, general OEM is our customer, consumer is customer separate business.

Sarang Sanil: Based on ADAS feature, right? So once services are being provided, post the contract rate, who is going to pay us as is the OEM or the end customer?

Rohan Verma: The OEM pays us.

Sarang Sanil: So as for customer who hold the vehicle for 15, 20 years, the OEMs keep paying us?

Rohan Verma: I mean, I don't know.

Rakesh Verma: Let me help you, Rohan. These are complex contractual issues. How can OEM pay us for 20 years of the vehicle ownership or not is something, our customer is OEM and they pay that's all -- that all is part of the contract. How the OEM deals with their customer for 20 years is something between them and the end buyer.

Moderator: The next question is from the line of Sampat Nayak from Tiger Asset Management.

Sampat Nayak: Yes, hi. This is a follow-up question. So I understand that drone business is relatively small. So in like five to six years' time it can be huge, right? So I just want to understand, so like in drone manufacturing, we said we are into drone manufacturing. So, is it like, do we have anything proprietary in these lines or is it just assembled, we gather part and assemble? Secondly, on the drone services part, so like you said you are into drone services also. So when you do that, don't you deviate from your core business?

Rohan Verma: No. The second question, let me answer first. Drone solutions, everybody knows the use case is mapping and providing map-based solution. Drone is used to capture data from the sky versus the ground. So who better than a mapping company actually to provide the drone based solution where the data is captured from the drone, but then again, processed, analysed and delivered to our mapping and geospatial GIS platforms, etc. So it's not deviating from our goal. It is actually enhancing. There's a network flywheel effect also in the business because we are in the business of acquiring data, productizing it and disseminating it through various use cases. We are not ourselves manufacturing drones right now. That's why we have these inorganic investments and partnerships where we can leverage the capabilities of companies that we can provide the full solution of that and yes, these are proprietary products manufactured by company partners.

Rakesh Verma: I think on the similar front, in the IoT also there is a hardware and some of the inorganic investments we have made is keeping in mind that we get reliable capability and sources or whether it is a drone or IoT.

Sampat Nayak: Okay. Just a follow-up question, sir, this question is in terms of you said you are into drone services which means I think you provide pilots and drones, right, on a need basis. Am I correct?

Rohan Verma: No, no. That drone services is a broad space. We are not a pilot rental company. When I mean drone services or drone solutions, I mean that if a customer needs an area map or an area inspected and they want to get, for example, a 3D volumetric analysis of that or they want to understand how that area has changed, some kind of change detection, or they want to extract some data from that. For example, the SVAMITVA project, where they want to extract property

rights, or land records from that. So they want to see the extent of the property. That's the mapping use case. And that's where we are positioned very strongly. As part of that, if we have to fly the drone zone and we have to capture the data and process that, we'll do that as well.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we take the last question for today. It's from the line of Divyansh Gupta from Latent Advisors. Please go ahead. Sir Gupta, you may please go ahead with your question.

Divyansh Gupta: Yes, I have a couple of questions. One is that what is our map updations for the quarter? And how do we see it on a yearly basis. And the thing that my understanding with regards to the IoT devices that we sell to our customers is that the SaaS solution is available for 1 year. Now given that Gtropy has been there with us for more than a year, what has been the renewal percentage of customers who have been using the devices for more than a year?

Rohan Verma: Yes. On the first question, I mean, this map updation is a continuous exercise. On a monthly basis, we update and release a master map data for the entire country. But on a real-time basis, we also keep updating, upgrading and publishing the latest maps, which is why you see when the new airport is inaugurated in Port Blair, the same day or very next day, a 3D map of that airport is available on Mappls. Or if in a new road, a tunnel is opened up for public usage, it was already mapped as under construction in our map and then is opened up for navigation.

So there's like a real-time rich pipeline where we are continuously publishing real-time map updates. And then there's a monthly cadence to releasing the master. And that's where expansion is happening. And on IoT, the SaaS income that you are seeing is a result of past customers who bought the hardware. We've not released a stat on renewal, and I'll take it on board as something to see, what to do for future. I mean we've started to explain the IoT business just in the last couple of quarters on a quarterly basis. So hopefully, you're getting some insight into that already.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference back to the management for their closing comments. Thank you, and over to you all.

Rohan Verma: I just want to say thank you to everybody. I really appreciate your time, and thank you.

Moderator: Thank you very much. On behalf of Anand Rathi Shares and Stock Brokers, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.