May 17, 2024

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

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

Subject: Submission of Transcript for Q4 FY2024 Earnings Call.

Dear Sir / Madam,

Pursuant to our letter dated May 08, 2024, please find enclosed herewith communication relating to Q4 FY2024 Earning Call. The said conference call with Institutional Investor / Analyst was held on May 13, 2024 to discuss the financial results of the Company for the quarter and year ended March 31, 2024. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For C.E. Info Systems Limited

Saurabh Surendra Somani
Digitally signed by Saurabh Surendra Somani
Date: 2024.05.17 14:28:52 +05'30'

Saurabh Surendra Somani
Company Secretary & Compliance Officer

"C.E. Info Systems Limited

Q4 FY '24 Earnings Conference Call"

May 13, 2024

MANAGEMENT:	**MR. RAKESH VERMA – CO-FOUNDER, CHAIRMAN AND MANAGING DIRECTOR – C.E. INFO SYSTEMS LIMITED** **MR. ROHAN VERMA – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – C.E. INFO SYSTEMS LIMITED** **MR. ANUJ JAIN – CHIEF FINANCIAL OFFICER – C.E. INFO SYSTEMS LIMITED** **MR. SAURABH SOMANI – COMPANY SECRETARY – C.E. INFO SYSTEMS LIMITED**
MODERATOR:	**MR. ANMOL GARG – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the C. E. Info Systems Q4 FY '24 Earnings Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anmol Garg from DAM Capital. Thank you, and over to you, sir.

Anmol Garg: Thank you, Dorwin. Good evening, everyone. On behalf of DAM Capital, we welcome you all to Q4 FY '24 Conference Call of C. E. Info Systems, better known as MapmyIndia. We have with us Mr. Rakesh Verma, Co-Founder and CMD of the company; Mr. Rohan Verma, CEO and Executive Director; Mr. Anuj Jain, CFO; and Mr. Saurabh Somani, Company Secretary.

I'll now hand over the call to Mr. Verma for his opening remarks. Thank you, and over to you, sir.

Rakesh Verma: Thank you, Anmol, and welcome to all the participants today on MapmyIndia's quarterly and yearly results.

I'm happy to announce that the FY '24 results are quite good. Total income has been at INR417.6 crores. Revenue from operations grew 35% to INR379.4 crores. EBITDA margin is at 41%, and PAT margin is 32%. Behind all this is the open order book that grew 49% to INR1,372 crores at the end of FY '24. Annual new order bookings grew 63% to INR834 crores in FY '24. FY '24 completes 3-year track record of revenue from operations CAGR of 38%.

Q4 FY '24 revenue from operations grew 47% to INR106.9 crores, crossing for the first time, a quarterly INR100 crores milestone. Also, the Board today approved a dividend of INR3.50, 175% of the face value per equity share. With these opening remarks and few more information that I would like to share with you is our Map-led business and the IoT-led business. These are the two important pillars of the company.

The Map-led business, EBITDA margin remains healthy at 54%, and our IoT-led business EBITDA margins have expanded from 1.7% in FY '23 to 11.6% in FY '24 as product mix, scale and SaaS income increased. Revenue from IoT-led business grew 91% year-on-year to cross an important revenue milestone of INR112 crores, with EBITDA growing 13x from INR1 crores in FY '23 to INR13 crores in FY '24. The business has now been fully integrated with growing scale & further operations leverage will begin to kick in. The merger and acquisition of Gtropy, which MapmyIndia owns 76%, is truly complete in all respects.

I think with these opening statements, I would like Rohan Verma to give you more flavour on the business operations.

Rohan Verma: Thank you, Mr. Verma. Good evening, everybody. And just as Mr. Verma said, with EBITDA margins at 41%, that means INR156.2 crores of EBITDA and PAT margin of 32% means a PAT of INR134.4 crores. The order book achievements that Mr. Verma talked about, that gives us the further confidence that we're on track to our stated milestone of crossing INR1,000 crores revenue by FY '27, FY '28. As he said, our open order book is at INR1,372 crores at the end of FY '24. And also our annual new order bookings grew by 63% to INR834 crores.

Now the revenue growth in FY '24 was 35%. It was pretty broad-based. The consumer tech and enterprise digital transformation revenue was up 49% year-on-year to INR194 crores, and automotive and mobility tech revenue was up 23% to INR186 crores.

2.5-plus million new vehicles went built in with MapmyIndia Mappls solutions, up from 1.9 million during FY '23. So this showed faster-than-industry growth uptake of our auto NCASE suite of map and technology solutions amongst OEMs, including the new-age EV companies. And also, we achieved 52% growth in the number of IoT devices installed during the year to 2.9 plus lakhs, and that led to significant growth in our IoT business.

We're happy that the results of our prudent marketing efforts has led to us crossing the milestone of now 20 million user downloads of the Mappls App. And we see this as a foundation to further grow our consumer business in the time to come. Of course, we are continuously innovating, that's the core of our business, to build better and better products across maps, across IoT, across drones, across the digital twin, across our software solutions. So that continues to happen in the year.

We've shared the investor deck on the stock exchange. So I know that has all the details. Probably it's better if we leave time for the questions.

Rakesh Verma: Yes, Anmol, you can take it forward.

Moderator: Thank you very much. We will now proceed with the question-and-answer session. The first question is from the line of Anmol Garg from DAM Capital.

Anmol Garg: Yes. Congratulations on strong numbers. I had a couple of things to ask. Firstly, for the fourth quarter, we have seen very strong growth in the IoT business, along with doubling of the margins in the segment, so is it that more existing customers are opting towards SaaS? Or are we successfully selling more SaaS to the new customers, I mean, without requirement of selling the devices as such?

Rohan Verma: See, we've always said that the IoT-led business is a hardware-led SaaS business. So the growth in selling of devices would eventually lead to high-margin SaaS revenue. And you're seeing that play out quarter-on-quarter, year-on-year. There is growth in the devices also that we are selling or renting.

But there is even larger growth in the SaaS income that's coming. So from any customer that we acquire ends up becoming a SaaS revenue for us over time, and that leads to the growth in the margin. You're seeing the margin of IoT-led business at about 17.5% in Q4.

Anmol Garg: Sure. So I also meant that are we also selling only SaaS to these IoT customers without the need of actually selling the devices. Is this also happening?

Rakesh Verma: It might be happening. I don't have the data exactly how many of that and how many with devices, but generally take it as devices are the drivers for the SaaS business.

Rohan Verma: Yes. I mean, and just to add to that, look, for every customer, the benefit that MapmyIndia has is there are multiple use cases, multiple products and solutions, IoT devices being one. But there's a host of software that we can sell to enterprise customers for their different use cases. So any time we get a customer, we are constantly talking with them about what more we can do with them. And that leads to growth from existing customers.

Anmol Garg: Sure, sure. Secondly, if you look at the map business, then it has grown at around 20% in FY '24. Now our INR1,000 crores revenue guidance implies a revenue CAGR between 30% to 38%, depending on FY '27 or '28. So do we believe that the map business will accelerate in growth? Or should we consider that the larger part of the growth will continue to come from the IoT-led business?

Rohan Verma: See, there's 2 different vectors, Map-led and IoT-led. These are 2 pillars of the company. And third will come up, which is drones. But Map-led software & solutions have their own use cases for a different set of customers, and IoT has its own use cases. Hard to say which one will be larger or smaller. Both have their own growth. You are seeing the track record of the growth, but hard to say which one.

Rakesh Verma: But another way to look at it is if you ask the question, that how much will be the hardware in this INR1,000 crores, probably that would give you a better perspective rather than saying IoT-led business or Map-led business because IoT-led business also has a strong SaaS component. You also are able to lock in all these customers when you also have devices.

Anmol Garg: Right, right. So can we assume that hardware as a percentage will keep on going down from here on?

Rakesh Verma: Well, last year, how much was the hardware? I think the financials tell you clearly. Out of INR379 crores, it was something like some INR60 crores….

Rohan Verma: INR67 crores.

Rakesh Verma: INR67 crores, so which is something like less than 20% -- 15%, 16%.

Anmol Garg: Right, right. Sure. And lastly, just wanted to talk on the INR400 crores contract that we had announced during the middle of the quarter. So if you can indicate, how much was the net new proportion of that particular contract? And when can it start converting into revenues?

Rakesh Verma: I think we have announced it, saying it's for a period of 5 years. That's INR400 crores. So you can understand that, and it will start kicking in from Q2.

Rohan Verma: And it's Map-led.

Moderator: The next question is from the line of Vimal Gohil from Alchemy Capital Management.

Vimal Gohil: Congratulations on a very strong quarter. Sir, firstly, on a related question to what Anmol asked in the previous question, your core maps business, if you look at it in the last 4 quarters, that is, throughout FY '24, it has been in that range of INR66-odd crores per quarter. Do you see the new INR400 crores contract win to sort of help this business get out of that INR66 crores range and move forward?

And secondly, on the order book, we have reported INR1,372 crores of orders. Has there been any change in terms of the order timelines? Or is it broadly remaining the same in terms of execution?

Rohan Verma: The second part is the same as before. There's nothing qualitatively different. Our business continues to be what it was before. So the order book is reflective in a similar manner. So on the first part, yes, given that this INR400 crores deal with Hyundai, Kia is all Map-led, we'll, of course, see a big boost to the Map-led business over the course of time from this.

Rakesh Verma: From Q2.

Rohan Verma: From Q2, it will start showing up.

Vimal Gohil: Right. And sir, one follow-up on the order book, the new orders of INR834 crores, that includes the INR400 crores from Hyundai, Kia?

Rohan Verma: Yes, it does.

Moderator: The next question is from the line of Lokesh Manik from Vallum Capital.

Lokesh Manik: My question was if you can share revenue distribution between digital maps, map development and integration and geospatial analytics. Would that be possible?

Rohan Verma: We disclose revenue in a few ways, which we've shared, A&M revenue and C&E revenue from market side. Then we've also shared Map-led and IoT-led revenue. Map-led is basically all the things that you talked about. And we've also shared historically, the Map & Data revenue versus the Platform & IoT revenue. So that gives you a sense on all of the aspect.

Lokesh Manik: Okay. My second question was on players like ESRI, Autodesk, Trimble, Rolta. These would be our customers? Or they would be our competitors in the Indian market?

Rohan Verma: See, the thing about MapmyIndia is we play in so many parts of the value chain. Our offering is wide, all the way from map data to APIs to software to IoT. If you look at any other players, if they are a competitor, they are only competition in one particular part of our portfolio. So to a customer, we provide the widest gamut, and that's why customers choose us.

Now with any of these ecosystem players, there's always a possibility of cooperation, where their solution and our solution together can go to the customer if need be. So I would say that we don't look at anybody as just plain vanilla competition. We look at what the customer wants. We have a wide bouquet to offer to the customers, but we also have the ability to enter the customer or service the customer with one part and then grow our business over time.

Lokesh Manik: Sir, just a clarification, would this understanding be correct that Map & Data product revenue would be pertaining to basically the data side of the business and Platform & IoT would be based on your analytics or value-added services that you can offer over and above the pure data that you offer? Would that understanding broadly be correct?

Rohan Verma: Yes.

Rakesh Verma: More or less.

Moderator: The next question is from the line of Shobhit Singhal from Anand Rathi.

Shobit Singhal: Congrats on the strong revenue growth and order book, sir. I have 2, 3 questions. So sir, recently, we have partnered with boAt for the smartwatch. So how is the potential here? And how are we booking revenue from it?

Rohan Verma: Yes, spectacular partnership. It's a great company with a great product. I would encourage everybody to buy the boAt Storm Call 3 watch. They've really implemented navigation quite well using our SDK and API so that consumers can get a pretty interesting kind of navigation experience. It's considered a consumer tech and enterprise digital transformation customer, and it falls under kind of Map-led revenue. Typically our revenue model is licensing per device.

Shobit Singhal: So we have factored this into the order book as well on our volume-based order book, right? In the open order book of around INR1,372 crores?

Rohan Verma: Yes. See, I don't want to go into specific contract or specific customer. It's not right on my part to do that. So we will book as order of the contracted value with the customers. But if we have a volume-based that happens above and beyond the contracted value, that will come as order booking at the time of the billing and the revenue recognition. We've explained this in the past also.

Shobit Singhal: Okay. And sir, a follow-up on the IoT margin side. So we have seen a sharp improvement here. So at what level it can get stable from the current level?

Rohan Verma: So we are at 12%, 11.6% EBITDA margins with the IoT-led business in this year. That increased from 1.7% the year before. And every quarter, you are seeing the increase - It is now at around 17% in Q4. I mean we are constantly looking at ways to increase.

Rakesh Verma: It's happening in a natural way also because the devices that we have sold in the past have started generating the SaaS part of it. And SaaS part, the beauty is, your fixed costs of the employees don't increase, and hence, you get the margin. So as the time goes by, the devices that we have sold in the past or will keep selling only will add up to the SaaS revenue.

Shobit Singhal: Understood. On our order book, fixed-pricing order book has just grown by around 7% year-on-year. And last year, it was around minus 8% year-on-year. So are we not focusing more on the fixed-based order book?

Rakesh Verma: See, the order book for a customer happens based on what the customer wants. It's not that we have to do something like that. So what you are seeing is what the reality is.

Rohan Verma: I mean if customers want to give us a contracted value and also provide us the volume-based benefit, that's not bad for us. It's good only. And if it's fixed pricing that they want, where it is known to us specifically that this is the amount that we will get for our IP, that's also okay for us. It's not that we are going after one or the others. Our interest is that more of our solutions are used by the customers, the more we end up getting paid for it.

Shobit Singhal: Okay. And sir, on our receivable days, so it has increased to around 100 days from 70 to 75 days earlier. So this is because of the more government order we are working on?

Rakesh Verma: Well, it has increased for a couple of ways. The billing was much more in the month of March in that quarter. So naturally, that had an impact. And the overall business that's growing, sometimes we acquire some good customers, we need to give some benefit to them, including the payment terms. So I think we are in a good situation that our working capital requirement definitely has gone up. But then we also have accordingly enough cash in the company. So I will call it like an organic investment in the working capital to increase our business revenue.

Rohan Verma: If you look at our overall working capital cycle, it's pretty, pretty good. I mean receivable days, plus payable days, minus inventory days. I think we've shared it on Slide 19 in the deck. You'll see it's quite well managed.

Shobit Singhal: Right. And sir, lastly, on the consumer map or B2B side and on the international front, so how are we looking on this side of business in the long term?

Rohan Verma: On the international front, yes, things are going quite well. We're on track with what our efforts and objectives are. We'll see something happen in this year, I'll say. FY '25 is the focus here for getting international into certain size and shape. And consumer also, things are set up quite well. I think we announced that we crossed 10 million in Q3, and now we've announced that we've crossed 20 million users downloads as a whole. So things are looking good. We have to do a lot more, and we are focused on doing that.

Shobit Singhal: Right. Sir, last time on the Diwali time, so we had got some good contract from Cadbury on the B2C side. So are we getting more contracts on that front?

Rohan Verma: Yes, there will be. I mean nothing that we have to talk about right now. We wanted to give you a sense that this is how one part of monetization of the Mappls App will happen. There are a number of ways that we are looking to monetize or generate revenue based on Mappls App traction. So that's part of the effort for FY '25.

Moderator: The next question comes from the line of Gautam Rathi from CWC.

Gautam Rathi: So Rohan, just to understand the order book and the business better, right? So now you also have a sizable IoT business, both hardware and software, right, which is INR40 crores run rating, so say, INR160 crores for the year and more. So logically, that would not be sitting in the order book, right, because that is when you literally sell the hardware and get the subscription in. So how should we think about the conversion of the current order book, which is INR1,372 crores? And would this IoT be on top whatever you said?

Rohan Verma: Yes, right, it doesn't sit in the order book.

Rakesh Verma: It sits in the annual order booking, but doesn't sit in the open order book. I think that should clarify.

Rohan Verma: Correct, correct. Because we'll book it when we bill it when we provide it to the customers.

Gautam Rathi: So the question is in your revenue for FY '24, which is the total of INR380 crores, in that, how much would have been the orders which you would have received in FY '24 itself? We are just trying to understand that. What would be the percentage of the INR380 crores where the orders would have been received in FY '24 itself and the revenue would have also been recognized in '24 itself?

Rohan Verma: So INR280 crores was our revenue in FY '23. INR380 crores was our revenue in FY '24. We did INR512 crores of annual new order bookings in FY '23. It's INR834 crores in FY '24. And we started the year at INR918 crores of open order book and ended the year at INR1,372 crores. If you kind of do the addition and subtraction of that, you'll get some idea of what was in-year orders. Suffice to say that INR834 crores of new orders were booked in FY '24. INR380 crores was the revenue that was generated in FY '24.

Gautam Rathi: The idea is you have INR100-odd crores, which has come from IoT, right? I'm assuming that is not part of your opening order book, right? So I have some sense out there. I'm just trying to understand because it will help me look at your business better because it just gives me that much more clarity for FY '25 revenue.

Rakesh Verma: Out of the INR1,370 crores, if you're asking me, is there any IoT order in that open order, correct? Answer is yes.

Gautam Rathi: So I am asking a very simple factual question actually that in INR380 crores base, how much of it came from my last year's open order book? And how much of it came from the orders which were booked during the year? So I might have booked, let's say, INR150 crores, INR200 crores of revenue with the order that I might have received during the year, which was not even part of my open order book. I'm just trying to get that breakup because that just gives me a much greater visibility in FY '25 and '26 as I build it forward, right?

Rakesh Verma: You have a really good question. We have not done the analysis exactly the way you're asking. It is something that maybe in the future, we will try to talk about it. But Rohan if you have some idea here...

Rohan Verma: Yes. It's somewhat in that range. And I mean when you say that, look, we've done a INR112 crores kind of IoT-led business in the year versus INR380 crores total, so balance in Map-led. So some part of IoT-led is, of course, from the new orders..

Rakesh Verma: If I have to give just a simple number, ballpark number, I can tell you right now, maybe out of INR380 crores, INR100-plus crores might be the orders that came during the year. The rest came from the previous open order. Just to give you a ballpark.

Gautam Rathi: Just one more question. So the other breakup which you give right, consumer, enterprise and tech and automotive, right, so is it fair to assume, given your IoT business largely today is auto-based solution, would the whole revenue of IoT be sitting in automotive?

Rohan Verma: No, no, no. So I mean, A&M is automotive and mobility tech. C&E is consumer tech and enterprise digital transformation. IoT sits in both, just like map sits as both.

Gautam Rathi: So it's not that it's just automotive. So it's both.

Rohan Verma: Both. It's both. Used for enterprise digital transformation.

Moderator: The next question is from the line of Moez Chandani from Ambit Capital.

Moez Chandani: My first question was on the Map-led business. So your EBITDA margins in the business seem to have seen a decline. They were about 56% in Q2, and they're about 49% in Q4. So anything that's happened there that's led to a decline in margins? And how should we think about these margins moving forward?

Rohan Verma: We've always been clear, don't look at the business quarter-by-quarter and do this quarter-quarter comparison. The business is an annual business, and the comparable is year-to-date, year-on-year. So just if you look at one quarter versus another, especially in Map & Data-type things, you'll find lumpiness.

Moez Chandani: All right. All right. Understood. Secondly, any plans that you have for the cash balance that you have currently? I think INR557 crores of cash was mentioned in your presentation. So any plans of returning this cash? Or do you...

Rakesh Verma: Returning the cash to whom? For growth of the business or something else you are asking?

Moez Chandani: No, for the shareholders or in terms of inorganic growth.

Rakesh Verma: Why don't you allow us to grow the business?

Moez Chandani: Sure. All right. All right. Understood. And thirdly, you mentioned that your international expansion is also taking shape. So is this driven more by an IoT-led business or more by your Map-led?

Rohan Verma: At this time, it's more Map-led and automotive-led.

Moez Chandani: Okay. Understood. So if I can ask, what is the moats that we have here? Because I'm assuming that most international geographies would already have some incumbent mapping providers already. So what's the moat that enables MapmyIndia to gain scale here?

Rakesh Verma: Moat in terms of the maps that we have been making for 25 years. But there can be also moat in terms of the customer base that you have, one. There can be also moat in terms of the technology that we have built. So the moat is not just that. We will wait to announce that a bit later to give you a better perspective.

Moderator: The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities.

Jayesh Gandhi: So my question is on Slide #34, which talks about total addressable market in government segment, which says that there is a INR1 lakh crores of opportunity in geospatial. And I just want to understand, what is the opportunity that we are looking specifically there, maybe in value terms?

Rohan Verma: I mean in last year's Investor Day in June, we really explained this in depth. The Indian government has said that by 2030, this will be a INR1 lakh crores geospatial economy. And geospatial cuts across all aspects of government, whether centers, state, local or defence or all sorts of use cases of the government, including for emergency response of a property taxation. Every part of governance depends on your geospatial actually. It's a core technology. And there is kind of, I would say, significant opportunities available there.

Now it's a matter of being the right company with the right business model or capabilities, being an OEM, a product and platform company - this is not just being a pure-play services kind of company, having that capacity. Those are the things that make a difference in doing the right way of government business. Last year, in June, we explained very nicely in the investor deck, I refer you to that, where we talked about what are the use cases for us and how we're going about building the government business.

Jayesh Gandhi: Okay. So on slide 36, where you have explained about how you will be achieving that INR1,000 crores mark by FY '27, '28, in that, while I was looking at industry and government segment, I was looking at the weighted average ticket size of INR1.2 crores for 1,000 customers. Am I missing on some things? So one government customer, maybe local body or anything, might be giving just a INR1.2 crores of our revenue?

Rohan Verma: So weighted average, obviously, the revenue distribution would be high amongst government customers. Some are very large contracts, and some are relatively small. We're trying to give a sense of what the industry revenue potential is. The answer to your question is it's not all INR1.2 crores, obviously. It's a distribution.

Jayesh Gandhi: So because I was just looking at one of the companies, which is already into geospatial - a listed company. It's got a few contracts from 2, 3 municipalities. The contract size were mostly upwards of INR25 crores or INR30 crores or INR50 crores. That is why I was just curious to know your reply on this.

Rakesh Verma: I can just add a few of my thoughts on that. The way we are approaching government business is through our products and platform. The one you are talking about is a pure vanilla services work. And I know you are talking about the digital twin or whatever that whole thing is since you mentioned as a listed company, I can make out.

Now whether that INR25 crores or INR30 crores is the services, what that will lead to, I don't want to answer. But as far as MapmyIndia is concerned, we want to remain focused with our products and platform in the government. And using that as a solution, I can give you 1 example, which is live, the UP Police 102. Now that is probably going to become one of the most desirable or most advanced emergency response system for the police all across the country.

Now that is using several of our products and platforms. We didn't get into that services kind. Similarly, for a property tax in Maharashtra, one of the urban cities - what you are talking about, the one you talked about, equivalent of that I'm talking about - we don't want to just do some services and hand over. We are using drone, using our map data products and platform, the business over that, and that's also running into double-digit revenue.

So there is a huge difference in the business model, what you're talking about so-called competition and how we approach. Our approach has been always use the IP, intellectual property, and license it rather than hand over as a services and forget about it as a onetime revenue. I hope that will help you understand the difference between the 2 companies.

Jayesh Gandhi: I got it, sir. That is pretty much clear. And sir, one of the TV appearances, management did touch upon their aspiration to grow inorganic in this area? Are we close to any acquisition here now? I'm talking about digital twin. So have you zeroed down on any acquisition there?

Rakesh Verma: See, we have developed our own technology. And I gave you the example of a couple of them just now, how our digital twin strategy is - Take the product and the platform and solve the customer's problem rather than taking somebody else's digital twin, which may not be a product, which might be just a services. I think there is a fundamental difference.

Rohan Verma: We are far more advanced when it comes to the map data, the map platform, the digital twin technology, the solutions on top of it, far, far more advanced. We don't have to talk about it too much. And it's all happening organically.

Jayesh Gandhi: I get it, sir. And one last question. Will the margins also remain similar to what existing we are enjoying?

Rohan Verma: Margins for?

Jayesh Gandhi: In this segment, government.

Rohan Verma: Yes. I mean, see, products and platforms in general, for us, it's all enterprise. Depending on who the customer is, margin can be higher or lower. But in general, our business model covers enterprise within public sector or private sector.

Moderator: The next question is from the line of Anmol Garg from DAM Capital.

Anmol Garg: Sir, just wanted to ask a bookkeeping question. So there was slight increase in technical service outsourced cost, which went from INR3 crores to INR8.5 crores in this quarter. So if you can indicate, what is this related to? And what can be a normalized level of this cost that we can assume in the future?

Rakesh Verma: The more the business grows, there will be technical services outsourced. I mean this is part of the way we are organized and the part of where we deliver our solutions to the customers.

Anmol Garg: Sure, sir. Sir, is this anywhere related to updation of the map?

Rakesh Verma: No, no, no. Not that.

Anmol Garg: Sure, sure. And sir, secondly, I just wanted to understand, currently, what is the revenue that we are obtaining from drones? And what is the strategy regarding that going ahead?

Rohan Verma: See, we're doing quite a bit of business leveraging the power of drones and drone tech. It is part of our integrated offering, like the example that Mr. Verma gave about property tax solution for a municipality or an urban town in Maharashtra. Like that, a bunch of smart cities or urban development authorities in the states where we are working where the drone-based digital twin is part of our solution. So we are providing drones or drone-based services as overall part of our solution.

We are not yet at the stage where we are able to break out the drone-led business. I mean it is not at that stage yet. It is sitting inside Map-led. But over time, we see that happening. We will talk more when we start going after drone-specific solutions, right now, drone is part of our integrated solutions. And so we are building up strong capabilities when it comes to drones right now, whether on the hardware side or the software side or the digital twin side.

Moderator: The next question is from the line of Vimal Gohil from Alchemy Capital.

Vimal Gohil: Sir, one question again, on the balance sheet. We've seen very strong increase in the net block. With the IoT business growing at the rate at which it is, how do you see the balance sheet accretion happening on this front?

Rakesh Verma: Say that, again, which item you are talking about in the balance sheet?

Vimal Gohil: The IoT business. There is a line item which says the IoT devices on rent that has significantly gone up. Even the intangible assets on the books have increased quite significantly. So if you can just help us to understand.

Rakesh Verma: Let me answer second one first. What you see intangible, that's our organic investment. We are building products and technology, which is creating the revenue in the future. So every year, whatever products we build and we capitalize it as an intangible asset and amortize it over a period of time, you see the revenue also coming from that. So the increase in intangible assets, I guess, should be considered more as a healthy thing rather than me going and acquiring somebody else's technology and paying out somebody else. So this way, we keep the IP to ourselves.

The first part of the rental business is again also healthy, because in that IoT rental business, the margin increases because now we typically give it on a rental for 3 years. It is better than just selling pure hardware. Now of course, we give it on rental to only such customers, like it's an operating expense for the customer, and they love it. Like I'll give you one example, Telangana state transport, TSRTC, where we have installed 10,000-or-so GPS devices, there on rental. The entire solution is on rental, not just the device.

Vimal Gohil: Okay. And sir, the rental is for what period typically?

Rakesh Verma: 36 months is a typical thing. We depreciate the hardware over 3 years.

Vimal Gohil: Okay. So the hardware sits on our books, and then you get the rental over a 36-month period.

Rakesh Verma: I may get rental for more than 36 months. I might get for 4 years or 5 years depending on the contract we have. But the rental improves the depreciated part of the hardware, the SIM rental that happens and the software that we have provided. All those together is the rental income. And I hope you understood now.

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

Sarang Sanil: Congrats on a good set of numbers. The first question is continuing where Anmol from DAM Capital left, on technical services outsourced, right? And the assumption is that that could be lumpiness in this line item as and when we grow fast. But on a very basic level, what does this cost really pertain to? Is this the cost that we incur for maybe mapping through feet on street or something else that you can explain in a better manner?

Rakesh Verma: It definitely can be that. Think of property tax as an example. When you do property tax, part of the solution is the platform, the software and our maps and then certain data to be collected by feet on the street.

Sarang Sanil: Got it. Got it. Got it. Understood. So it basically is linked to specific projects, right?

Rakesh Verma: Their technical services outsourced are always reflected as a cost expenses incurred for the revenue generation.

Sarang Sanil: Okay. And my second question, what's the progress on the QIP? Would it be raised only when we find inorganic opportunity? Or we have some other plan?

Rakesh Verma: Passed an enabling resolution through the shareholders. Now if at any point of time, we feel that we need it during the 1-year window. Either it will happen, or it will lapse. One of the 2 things may happen.

Sarang Sanil: Sure, sir. And this would be purely for inorganic opportunity, right?

Rakesh Verma: Yes, I generally think of that, or it could be organic also if something special happens to us. At this point of time, if you're asking me, I don't have any plans for it.

Moderator: The next question is from the line of Vidyadhar Ginde from Sohum Asset Managers.

Vidyadhar Ginde: Yes. So my question was on the Hyundai order. So if you could give us some color on whether Hyundai is an existing customer. And what was the tenure and the size of the old contract, which probably, I presume, you're continuing until Q1 FY '25? Because I think what everybody is trying to find out is that whether this contract which means INR400 crores contract, will help you boost your revenue growth next year and you'll go back to over 40% revenue growth, which will be a function of how much of it is net new.

How that contract compares with the old contract and whether it's going to be evenly divided over 5 years or it's back-ended, front-ended appear that it probably will take a ramp-up over a 2-, 3-year period as more and more vehicles use that kind of technology.

That's what I think everybody is trying to find out because this probably is one of the best news which has come out of your company since you got listed. So it would really be useful if you could give us some color. And eventually, what everybody is trying to ask is that, will that help you drive much stronger revenue growth next year? And will you return to over 40% revenue growth while maintaining margins at about 40%?

Rohan Verma: Yes. Hyundai has been an existing customer. We go built-in to Hyundai cars. But as with every platform, there is a kind of a ramp-down that happens. And with new platforms, then a ramp-up happens. So existing platforms with Hyundai, Kia was ramping down. And now in Q2, again, it will ramp up...

Rakesh Verma: In a bigger way.

Rohan Verma: To answer the question, it is in a bigger way because with every generation of platforms, the OEMs are becoming more sophisticated in terms of buying more and more products and solutions from us for more and more use cases. So we've tried to explain that, look, it is there for connected embedded navigation, it is there for connected cloud services, it is there for real-time traffic for call center. A bunch of different use cases are there.

And even I think just 2 weeks ago, Kia itself also did a press release. We were in silent period. So I mean we couldn't really comment on that or put it out, but they're also talking about it on their own - about the usage of MapmyIndia. So that's what's exciting to us about kind of the new platform.

Vidyadhar Ginde: So can we say that the revenue from this account next year should be significantly higher than this year? I think the next question is that, are you pretty confident of showing more than 40% revenue growth, which you were quite reiterating most of the times seemed to be listed, etcetera, but maybe last couple of quarters?

Rohan Verma: Yes. You have to look at our track record first. You'll see the track record last 3 years, 38% revenue growth CAGR. Now you look at our open order book. It has gone up to INR1,300 crores from INR918 crores. And what we have put out is that we are gunning for this milestone to cross INR1,000 crores by FY '27, FY '28. We are quite focused on making sure that -- I think we've shown a strong track record of growth, strong track record of profitability in terms of managing the business, the financials as well as the innovation.

The market opportunity in front of us is quite exciting and it's not just a short term. It's medium term. It is also long term. Even beyond the 3 to 4 years, we are thinking what more we can do now for the time that will come after that. So talking about in all of that sense, given this track record, given the open order book, given the 3- to 4-year milestone, talking about just a year or quarter may not be the best way to look at our business.

Rakesh Verma: And it might not send the right guidance also. The guidance is what Rohan has been talking about.

Vidyadhar Ginde: So see, basically, we've already had a 1 year here, which was 35% growth, which is the last year. It's a bit of nitpicking, but whether you take 35%, 40% over a 5-year period, it does have a reasonable impact on the fair value and that kind of stuff.

My next question was on if you look at the devices as reported in one decimal point, take the Y-o-Y growth and the revenue from it Y-o-Y growth, it looks like the price you were charging for the devices also probably gone up by 5%, 6%. But if you take in 2 decimal, then it may not necessarily mean that. So are you charging a little higher for devices this year than compared to last year?

Rohan Verma: In general, customers are becoming more and more sophisticated. We talked about in the past that, look, the video telematics devices, they are embedded infotainment systems, connected infotainment systems. So this technology also in some way, this premiumization plays there, India is becoming more sophisticated. Customers want whole-chain temperature monitoring solutions. From our perspective, it's a good thing to move customers up in terms of the use cases and, hence, the products and the realization to us.

Vidyadhar Ginde: Okay. So lastly when you gave your bifurcation, you slice it in different ways. So if you see, one would be the Map & Data and then your Map-led. So what is this difference, is the Map & Data a subset of the Map-led revenue? What is that extra Map-led, which probably includes platform I presume, because the other is IoT and the platform where you say IoT-led. So if you could give us some color on that.

Rakesh Verma: Okay. I give you an example. I mean I think what we have presented is what the accounting standards of our auditors have talked about, but just to give you an idea, in the Platform & IoT, what you see, it's also MaaS, PaaS, SaaS, the whole thing, right? So there are definitely many of the items which are Map-led there, whereas the Map & Data is just Map & Data.

Rohan Verma: Map & Data is a subset of Map-led. I mean, I think we've done this historically, but Map-led and IoT-led is a better way of presenting the business to give you an idea because something is Map-led or something is IoT-led.

Vidyadhar Ginde: So will the margin be higher on the Map-led rather than this Map & Data? Or it's actually the other way around?

Rohan Verma: I don't think there is a quantitative difference there. Fundamentally, we're an IP company, right? So everything is high margin. The IoT device is the one that brings down margin initially but then leads to the higher SaaS revenue.

Vidyadhar Ginde: And then one last question I could just add if you could. So we've seen this IoT-led business margin rise dramatically from last year to this year. So do you think it's going to stabilize around this number? Or it can go much further than it is right now?

Rakesh Verma: It will stabilize at this number. What we have said that as IoT-led business keeps growing, and more and more hardware goes into the market, the SaaS revenue will keep kicking in, which will lead SaaS revenues very much like your Map-led business, where the operating leverage kicks in. So based on that, nothing says that the IoT-led business margin will stabilize at where it is today. Why should it stabilize here? Why shouldn't we look forward to a better margin?

Vidyadhar Ginde: You're saying it could improve or it was similar at about 17%, 20%, or it could go to, say, 30%? I'm not very clear.

Rakesh Verma: Hard for me to comment on that.

Vidyadhar Ginde: I'm talking of, let's say, 3 years down the line, is it more likely to be 17%, 20%? Or is it, like we say, closer to 30%?

Rakesh Verma: It is a function of every year, you will see that. I mean I know you are trying to figure out in your model...

Rohan Verma: It's a good business to be in the one that we have chosen - this IoT-led SaaS kind of business. And the nice thing is it is also very fast growing from a revenue point of view because the market opportunity we've talked about before is so large in that, and we have this kind of big base of customers who've been using Map-led, where we are able to cross-sell, up-sell IoT-led also. And also to the IoT-led, it leads to the Map-led business improving. We're very happy with being in this business. And we are just accelerating on all terms here. It is a good thing that you are seeing retrospectively that the margins are also going up.

Rakesh Verma: I can also add one more thing. Probably, we are a unique company in this whole world, which has taken on both map and IoT as a business together. And that's the uniqueness that's going to place us much better than any other map company only or IoT company only.

Vidyadhar Ginde: Can I say that we shouldn't be surprised if this margin rises by 2, 3 percentage points every -- or over, say, let's say, 7, 8 percentage points over a 3-, 4-year period? It may or may not happen, but one shouldn't be surprised if that happen. Can I say that?

Rakesh Verma: I don't know. We are doing our best to create overall revenue growth & overall margin profitability & growth. I think our focus is very clear on how the revenue growth happens and how the PAT -- not margins - the PAT expansion happens and how the EBITDA expansion happens. I think we are focused on these three.

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

Rohan Verma: The other thing that must have come out from the Board outcome today is that we are inducting 2 new directors into the Board. So expanding the Board to 10 people. One of the Board members is, of course, our Co-Founder and CTO, Mrs.. Rashmi Verma. I think you all know her stellar, experience and expertise, track record. We're very happy to have her back on the board. And also on the second, we have a pretty stellar experienced person from the consumer and tech and marketing and media background, Mr. Sundar Rajagopalan, again, having created Magicbricks and other businesses as part of the Times umbrella. So also coming on the board.

And just to give you a context that of all women directors in the Board, five are independent, two are non-executive, and three are executive directors. We are quite proud and quite happy that the all the Board members are such stellar professionals from their own backgrounds. You can see blue chip backgrounds of all of them, whether educational or professional.

And also this great mix of experience and use of different levels of experience, I think that's kind of how we try to run the company, whether at a Board level or at a management level in a highly professional manner with the right set of people who are very focused on and are doing the good things to create an enduring company.

Moderator: Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you all for joining. You may now disconnect your lines.