Q4 FY 23

Investor Earnings Call Transcript

Praveen Malik

Thank you for joining us today to discuss the Intellect Design Arena Limited financial results for the fourth quarter of the fiscal year 2022-23 and the full year ending 31st March 2023. The investor presentation and press release have been sent to all of you and are also available on our website as well as the Stock Exchange website.

Our leadership team is present in this call to discuss the results.

We have with us today Mr Arun Jain, Chairman and Managing Director, Mr Manish Maakan, CEO of iGTB, Mr Rajesh Saxena, CEO of iGCB, Mr Banesh Prabhu, CEO of IntellectAI, and Mr Venkat Saranu, CFO. Besides some other very senior members of the Intellect management team are present in the call. Mr Arun Jain will brief you on the results, followed by the briefing of Mr Banesh Prabhu, Mr Rajesh Saxena, and Mr Manish Maakan.

Thereafter, there will be having a Q&A session where your questions will be replied to by the senior management team. Once the Q&A starts, you can ask a question by clicking on the "raise your hand" and we will unmute you so that everyone is able to listen to you.

On safe harbour, I would like to remind you that anything which we say refers to our outlook for the future is a forward-looking statement. This must be read in conjunction with the risk company faces.

With this, I request Arun to give his briefing.

Arun.

Arun Jain, Chairman and Managing Director

Good evening to everybody who has joined this conference call. Today we are celebrating the annual results of Intellect for the year 2022-23.

This is a culmination of the last nine years of our effort when we de-merge Intellect Design Arena from Polaris Software During these nine years, we built up this institution of high-quality product development, deep reach in market development, and cutting-edge technology development, which has get translated to put the company on the global map for BankTech Wave 5.

We mentioned in a release two words which may be new to the investors. One is called eMach.ai and the second one is BankTech Wave 5. I would like to explain the two eras separately.

Arun Jain, Chairman and Managing Director

Yeah. So let me start from the positioning of the company at the right place, about nine years of our efforts have brought us what are we today. The BankTech Wave 5 started sometime in 1965, which was a mainframe-based technologies bank start using for registers.

Sometime in 1985, the Minicomputer came in and the 2nd wave started using computerisation in banking. But in the back end for calculations, and somewhat front-end applications, branch applications started happening.

BankTech Wave 3 happens when distributed computing started happening sometime in the 90s when many product companies emerge, whether Teminos or Flex Cube or the players in a similar domain. Terminos emerged in the 90 to 95 eras. This was the distributed computing company started happening.

In 2000-2001, when internet technology disrupted the industry, there are next generation of customer experience started to take some shape in the BankTech Wave 5.Now in the BankTech Wave, we have and that was the BankTech Wave 4 and BankTech Wave 5 is about when cloud disruption and AI disruption happens, so it means whenever the technology disruption happens, there's a significant way that companies have to realign themselves to the new horizon and that investment has to be done at least three to four years in advance and we could able to pick up the right signal early in enough that cloud and AI is going to disrupt the technology industry, which you are all of you are seeing in last six months more dominantly versus when we picked up in 2017 and invested in a team of cloud technology in New York and then AI technology in India and New York. We invested the money over there. With these two investments, we made one fabric platform and 2nd is a Mach composable platform turmeric, which was a technology platform in which we invested in to it.

eMACH.ai that why e-mail.AI is creating waves in the marketplace where we are bringing all the products which we have built over the period of time in retail banking, corporate banking, in the wealth arena as the micro services. So there are 285 micro services which can be assembled to design the product related to a particular market. let's say HSBC Bank has to design an offering in a specific country for a specific SME segment, they would like to offer certain features and functionality which they used to use services company to build those products. Today we are able to disturb that pattern saying you can do it using a composable platform. With iTurmeric where there they'll be almost zero code and it will be a composable platform. So we define an A to F of eMACH.ai which is architecture which is all our micro services which revolve around composability which is all around data which revolves around embedded AI and it is flexible and extensible for the bank and that's what gives a giving us good momentum to the customers globally.so this is our story, which has changed and this is the 4th foundational principle for our distribution. Now this technology can enable our partners to build the technology or this technology can help financial institutions to use by their own IT teams by using our eMACH.ai platform. So the problem which you are discussing as an investor that when are we signing partners

I think this is the right action we were preparing for. but it is much easier for a partner to get signed up for eMACH.ai and that's what during the call Manish may update you about what progress we have made in a partnership site.

So today the purpose of the call is to take you through the results with last year at the same time in the month of May, we said that we've been reinvesting 5% of our cash margins to build up a next-generation technology and we'll ensure the cash is maintained at the same place as what we had.

We could even deliver the same cash as last year in spite of investing in eMACH.ai, for the next-generation platform. The second thing, we looked at it this margin should be it was 24.5% last year we were looking 5%. So our annual margin this time is 20%, which is also in line with what we discussed with you. Third thing is we always looked at it that Intellect can only be measured by last 12 months revenue not quarterly revenue. Our business model doesn't permit for us to get evaluated on quarter-on-quarter margin.

I want to insist again that please stop looking at comparing Intellect with the service companies. There is a completely different model. There's no comparison from service industry versus the product company or technology company. So Intellect is a technology company. So please look at it last 12 months we consistently in last four quarters we maintained our growth rate more than 20%. Even in quarter one, two, three, and quarter four, the last 12 months growth rate was 20%.

So that is what we designed our business for and this business is accelerating our CAGR of last five years is 16%. Our CAGR last three-year is 18% and our CAGR of last two years is over 20%. So it's accelerating. CAGR in last it's five years of our journey.

The first is how to grow and the Portfolio model is the one critical model where we chose 4 LOB's to grow simultaneously. Now each LOB is having their own portfolio for the growth of the business.

Second is we have presence in 57 different countries, our business is not dependent on particular geography and we are the large and the most diversified company which are operating in the largest client in Asia, the Middle East, Europe and Americas. Looking at it, what new challenges are now? Like 3.0 is about distribution which will give us headroom to grow.

The second question is headroom for margin growth. Our licence link margin revenue comes from three sources, Direct licence, Platform revenue and AMC. All three are growing healthily in the business assurance or growth assurance were growth comes from our client quality, our technology differentiation and are we solving the right problem.

Manish, Banesh and Rajesh will take you through. They will, they will try to assure you that there's a huge growth potential they are seeing. Related to risk, the 4th question is, yes, the geopolitical risk we have seen over the last seven years. Starting from Brexit to Trump win to the Ukraine war to now US and America crash on the banks. Those are part and parcel of our business portfolio.

It does impact 2 to 3 quarters when the industry start assimilating the impact of such kind of risk.

Second risk is deal cycle closure cycle time that is not predictable in a large deals like what witness we are in so which cannot be quarter on quarter. And the 3rd risk is coming in now, where the banks are becoming more committed for the payments to be milestone-driven.so these are the three risk which is there. Which will identify and we will discuss it if you have some more questions regarding it.

At this point of time I want to hand over to Banesh to share with us what is exciting story of AI with the combination of wealth and insurance playing out in the market over to Banesh. After that, Rajesh will tell you the story of how the core banking systems which is why the banks are looking for the transformation of core banking systems now by the BankTech Wave 5 is so critical for core bank systems, which was to some extent slowing down and how the Thought Machine and Teminos is competing.

Manish story, you know more of you will store the GTB story but the GTB story has migrated to significantly in the consumerisation of corporate banking. It's an amazing story what we are. Differentiation is coming in the global market space. Manish will share you that storyand then I summarise it later.

Over to you Banesh.

Banesh Prabhu, CEO, IntellectAI

Yeah. Can I Praveen.

can I request you to share the slide? **Rajesh Saxena, CEO, iGCB**

let me take it from here and let me just start by sharing my screen.

Rajesh Saxena, CEO, iGCB

So I hope you can see my screen.

First of all, good morning, good afternoon and good evening and thank you for joining this conference call and it's good to be talking to you again. So let me start and talk about today's presentation and really in four sections. So in section one, I'll talk about the market opportunity, some key trends and talk about our competitors.

While Arun has already talked about the financials of year 2023 FY 2023, I'll try to put a little bit of colour by giving you a qualitative feel of the year 2023.

The third section we'll talk a little bit about growth strategy, which is very similar to what I have said in the past, but I'll just recap that again and we'll talk about a little bit more about marketing. I think this year we are focusing more on marketing from distribution and marketing. So I'll talk a little bit about that. I think when we look at the market size from a TAM perspective, FY 23, the retail banking space is about $23 billion which is growing at a CAGR about 8%. So that takes from 23 to $29 billion. But what's interesting about this market is while it's growing at an 8% CGAR. The shift in the SaaS piece of this market is really growing by 34%, while the in-premise business is only growing by 8%. So the SaaS business which is about 14% of the total market spend right now in FY29 is estimated to go to 30%. And that's where our business model, our eMACH.ai, is the space that we are playing in. Also, from non-traditional players these are players like specialist banks, digital banks and other fintech players. We are seeing that component of the business is also growing.

So that's a little bit about the market from an Intellect perspective, we should look at the Intellect service, addressable market, it's about $11 billion growing at about 8 to 10% CAGRand therefore from a retail banking space, we believe there is a huge headroom for us to grow and our business in the coming years.

Talk a little bit about some of the trends that we are seeing in the market. So I think the first trend that we are seeing really is about digital transformation especially relating to the bank's customers and specifically customer on boarding. We are also seeing that customers are expecting the banks to participate in embedded finance user journeys as the customer goes through their journey, for example, to just to make this a little bit clear, let's say a bank customer is an Amazonis buying a product, let’s say a white good product. Suddenly he doesn't want to pay in full, he wants to take a loan. He or she expects the bank to be a part of that journey and be able to offer that loan during that journey. So that's the embedded finance and we are seeing that trend growing. and that's the first trend.

The second trend I think I already talked about it, it's an accelerated shift to SaaS and cloud. We are seeing that trend going in all markets across the world.

The third trend is really about how banks can use data insights and embedded AI's in the customer journeys to create hyper personalised customer experience which is lifestyle oriented and contextual.

The fourth trend is really about how banks can work with partners and fintechs to create an ecosystem, and through this ecosystem, everyone plays. I think a couple of years back there was always this debate about banks and fintechs. I think banks have now understood how to play in this game and also we are seeing the trend of how banks can become marketplaces.

In certain advanced markets, we are seeing ESG as a very key driver, especially on the environmental page space and in the central banking space that we play, we are seeing digital currencies.

We are seeing many central banks either doing POC's or launching digital currencies. So these are the six key trends that when we talk to the bank CEO's, retail bank heads, CIO's, chief digital officers this trends that the banks talk about and it is important because our business model is built around those six key trends.

I think from a technology perspective, the kind of investments that we have done in the last couple of years, whether it's relating to cloud SaaS, API, micro services, DevSecOps, Insights, data AI and distributed DB and I think 2025-2030 we expect these technologies to further evolve. So from an Intellect perspective, the good part is that we have already started our journey a couple of years back and we've made significant progress in some of these trends.

So talk a little bit about year 2023. I think we were well covered from an analyst perspective for the 6th consecutive year IBS rated us as the number 1 in Retail Banking. They also rated us as a Global Leader in Product Breadth as well as Retail Lending.

From a Forester perspective we were rated as a leader in the Forrester Wave Digital Banking Processing Platform for Retail Banking. We are in Gartner 7-time leader in the Gartner's Magic Quadrant, and Chartis also rated our Digital Lending Solution as the “Best of Breed.”

So I think we got a lot of quality analyst coverage during the year. We also did, you know in the month of February. I think Arun talked about it, we had our first BankTech Wave 5 event in Mumbai and during that time we were very happy to launch iKredit 360, a specialist credit platform built for India and I'll show a couple of pictures around that and talk a little bit about the value proposition that we have built for iKredit 360 in India.

We believe that this platform, which is a specialist great platform, can really help democratise credit in this country. So let me talk. I think the key proposition of iKredit360 that we have in a nutshell is it's a complete 360 asset platform. What that means is that any credit product, whether you want to launch an SME financing, or credit cards, or agricultural loan, gold loan, every credit product can be configured on this platform.

It is built on eMACH.ai architecture, which means that it's micro services API, cloud, headless and event driven architecture. The model that we have is really on pay as you grow, so you pay as a small upfront fee and you pay as you grow based on the number of transactions and what's very critical is that it is inbuilt in India ready that. What it gives is that all the key partners fintech government agencies are already integrated with this platform, which significantly reduces time to market for banks as well as makes this platform regulatory ready.

During that event, we launched 2 products, SME Lending, SME finance and lending platform in India and the second platform that we launched was about Digital Cards.

So on SME financing, the platform actually takes care of 16 types of SME financing that you can do and it's a model which is completely India ready and on the cards piece, it's a complete front to back model, which also has the potential to launch a green card.

Following India's event, the 2nd event that we did was in UK where we really launched our UK Open Finance platform and we show you a little bit about what we did in London. Our second event in London and in that event we actually which was done in collaboration with the Celent and AWS Banking for London, we actually launched the Open Finance platform, which is UK and Europe ready based on our eMACH.ai architecture, it was very well received. We had about more than 60 banks, customers and prospects looking at our platform and we are continuing to progress on this from a Europe perspective.

I wanted to not talk a little bit about two used cases, so I think this is the first used case is really about our central bank. Used case where we launched the commercial portal for these banks and just talk a little bit about what this portal does for this commercial bank. So this is serving about 240 commercial banks which has about more than 15,000 users and this is the first time we've built a platform which is multilingual. We have actually started with English and Hindi, but it has the capability of going into regional services. The platform offers 120 plus banking services and 175 PDO services. And for the first time any central bank has actually gone on an enterprise cloud, so this platform is on VMware Tansu Cloud. It is the first time where we have gone through very severe security clearances and we had to go through a professor at IIT Kanpur because security is a very big concern from being a commercial portal and the first time we have thought our iTurmeric platform. We have ensured 100% coexistence what it means is that we have the old platform ekuber 1 and the new platform ekuber 2 and we have the ability for a user for a certain bank to be on ekuber 1 and certain banks on ekuber 2 and within a bank also some users can be on ekuber 1 and some users can be on ekuber 2.

So this is a great tool from migration and reduces any risk from a migration perspective.

The second use case that I wanted to talk about is the SME marketplace that we have launched. This is for one of the largest private banks in India and this is a bank which over the last one year has improved its market share from 19% to 24%.and the platform is really about a cloud native solution which is implemented on a private Google cloud where the customer the SME can self on board. So prior to pandemic, the process in this bank used to be that a SME would go to an RM, sit across the RM and give all the data. And that process of approving could take anywhere between 7 to 10 days.

Now what the bank has done is that SME can on board himself or herself by using a micro site with very little data entry with very few fields of data entry and through multiple API calls that we make with many important fintechs and partners. We are able to get that information and make almost real time decisions, so this we do through 129 API's, 11 PBC. We build 67 interfaces for just approving this RMS.

Today, the bank is processing about 70,000 applications that disperses both the 7000 crores a month on this platform. This is, we believe this is a hot space in India at this platform can really democratise the SME financing from a technology perspective in India.

Moving on, I think I'll talk a little bit about our strategy. Our strategy continues to be built around our product and platform focus, continued focus on Europe, our principal solution, provider strategy and destiny deals that focus on talent.

I think this is an important slide and I'll spend a couple of minutes on this slide. I think when we look at our business, we are looking at our business as four products, three platforms and one technology.

The four products that we talk about is IDC and when we talk about IDC, this is core banking lending credit cards, AML, Treasury, etc. It's the most from a breadth perspective, it is the widest product suite that is available in the market and the deepest from the types of user stories that we have.

The second product which we sell is Digital Lending. The third product is really about our central banking proposition, our Market Leading central banking product which we call as Quantum and the 4th is on Capital Cube, which is our Treasury and ALM product.

As we had originally had products, we are now moving in that journey from to a platform and the three platforms that we have is eMACH.ai. This is our open finance platform. iKredit 360, it's a credit curated credit platform. The digital experience platform, this is the front end layer and iTurmeric, which is our technology.

I want to spend a couple of minutes talking about the key value propositions of some of these, some of the products and the platform. So from a product perspective. I think if you look at IDC, the key USP or IDC, it's a composable and extensible business components. It is built on eMACH.ai architecture and as I said from a breadth and depth of the solution, it is the widest and includes end to end loan life cycle, credit cards and treasury. And from a product perspective, in our strategic markets, we have country ready model banks platforms for targeted countries. What helps is that it enables us a shorter implementation time.

From a lending perspective, what we are seeing in the market space is a great need for one origination platform and one originations platform is really a single platform which can take origination for retail, commercial as well as corporate.

The digital lending suite that we have has a comprehensive credit lifecycle management and has multiple channel aids such as Microsoft Customer Office, RM Office etc.

From the Quantum perspective, which is a central banking solution, we look at our key USPS or digital transformation how we can enable central banks to implement policies faster to keep pace with ever changing interconnected global landscapes. It seamlessly connects 4 pillars of the nation: the government, the central bank, FIs, and the public. It helps the central banks to provide real-time visibility of operations and it really, while this is a full product, it actually has 12 different pillars in this platform.

From a Capital Cube perspective, this is a product which seamlessly integrates the front office middle office at back office with inbuilt ALM and RFR and it has a real it can give the banks a real-time visibility of cash flow and risk and portfolio risk analytics.

From a platform perspective, I think eMACH.ai is the. As I said, this is our open finance-enabled platform. It is already an integrated ecosystem; it is regulatory compliant in the markets that we are working. It is available on Paas and it's on eMACH.ai architecture.

From our iKredit360 perspective, this is a complete 360 assets platform where banks can curate innovative credit experiences over the cloud. It has the eMACH.ai building blocks and it has multi-tenant credit as a service platform and this comes pre-integrated with best-in-class Fintech partners to offer differentiated solutions.

From a digital experience platform, it's about composable, contextual and collaborate from a composable perspective, the banks can design their own UIs. It has domain services across acquisition, banking services, engagement services, beyond banking services and foundation services contextualised. We are using embedded AI and ML for building propensity models and collaborate. It works in an ecosystem with integration with many fintechs and partners.

So that's really about our product platform, but technology story (lost audio n video)

I think I just wanted to talk a little bit about Europe. I think we have reinvigorated our team in Europe with the senior persons induction. We have built continuing to build up pre-sales and delivery capability. We have 3 referenceable clients which have gone live, Cater Allen, Otto and Resurs in the process of going live. We now have fully hosted solutions in AWS Germany and the UK we have built a good pipeline in UK, Europe, and Canada. We are, as I said earlier, we are now hosting multiple events in the UK and Europe. So I think that was really about this thing.

I think a little bit about principle solution provider. So what we are looking at is really looking at 5 accounts in this year to see how we can build a principal solution strategy around lending with these banks and we continue to remain focused on the destiny deals. Destiny deals are very important for us and we'll continue to remain focused on that.

I think on the last piece, which is really our about talent, I think we are in the talent business and therefore we are focusing on, we continue to remain focused on talent and from a talent perspective we are really looking at talent development, cost and efficiency and people engagement and learning. So these are the three pillars that we are working on from a talent perspective.

So that's really what I had. I think from a marketing perspective, I can just quickly talk about saying we are very happy for the first time we have decided to participate in Money 2020.

We are participating in the Money 2020, which will be held in June in Amsterdam and where we will be showcasing our signatures, how banks can build their own solution, a signature solution on an on our open finance platform. We're looking at that a Digital marketing course, the way where iGTB, does iGTB Oxford and we're looking at increasing our marketing participation in our marketing events in our key markets and along our key products. So that's really what I had and I think with that, let me hand it over to Banesh.

Arun Jain, Chairman and Managing Director

Before handing over what is the competitive landscape, Rajesh?

Rajesh Saxena, CEO, iGCB

Yeah. So I think it is a very interesting question. And I think from a competitive landscape, what we are seeing is that if you really look at markets in Europe and you look at Tier-1 banks or even if you look at large banks in the regional space the competitors that we face are really Temenos, Thought Machine, and Intellect. So in many deals, we are in the last three with these banks and these are very large deals and these could be Tier-1 bank deals, this could be regional tier bank deals etc. So I think we are uniquely positioned when we compare ourselves with Temenos which we think is a little bit of an old legacy platform. If it has a very monolithic architecture and Thought Machine which is really built on the latest technology but doesn't have the depth and the breadth which is required from a financial services perspective.

So I think with the eMACH.ai architecture as well as the depth and breadth that we already had in our solution, we are uniquely positioned to be able to look at this market space.

And I think Arun talked about this a couple of years back. We were the market was looking at following the core or building around the core and not touching the core.

What we are now seeing from a market trend perspective is that most of the banks are looking at core transformation because they are not able to get the benefits by using only the surrounding system. And I think with the new architecture that we have the cloud technologies are the eMACH.ai architecture. This has become lower and therefore we are seeing a good market opportunity in large core banking transformation. That's the trend we are seeing and we are, as I said, Temenos and Thought Machine, but we believe that we are well positioned because of our latest architecture as well as the depth and breadth that we have from a financial perspective.

Arun Jain, Chairman and Managing Director

Thank you, over to you Banesh.

Banesh Prabhu, CEO, IntellectAI

I think some issue with my screen being able to share on zoom so they're going to present.

So hi, good evening. This is Banesh. I'm going to sort of talk to you about Intellect AI business and some of our learnings, the Intellect AI business has had in 2023-24 before and how Intellect AI has positioned itself very well for the evolution that we are seeing in technology.

I mean, we are moving very rapidly at a fast maturing page pace from a digital age to as of you know information age evolution and how Intellect AI actually is positioned. I think the approach that we've had from the beginning using data and AI as a first approach along with our eMACH.ai architecture for creating AI and data models. I'm gonna actually have a few slides, and talk to you about each of the themes.

To start with, I think our business trajectory during the year 2022-23 was very positive. We experienced growth and expansion across our customers. And also in many of our geographies for our wealth business, our continuous innovation in products and platforms using embedded AI has now started providing us with some unique edge to quickly fulfil our varied customer demands and there is a lot of demand coming out on the embedded AI solutions for specific areas in their business.

So I'm going to touch on three businesses. One is the Insurance Business, which is primarily focused on the US, but is slowly expanding into the UK, and Europe. Our Wealth Business, is in several geographies right now and is expanding quite quickly I'm also going to talk to you about the very exciting area that we are seeing for our iESG business that we have started with a few clients and also the potential of what we had launched as Magic Invoice in India. You know, eventually occupying the accounts payable opportunity, which is also very large. All of them use our same embedded AI platforms that I will touch on eventually as the technology and how we've invested in this technology through various waves using data and AI first as an approach. So next slide. So I'm going to have a couple of slides on the US insurance business, which I'm going to Start with first. Firstly, North America, as we all know, has been pretty challenged economically for financial institutions. However, our insurance business actually is progressing. Most of the insurance businesses are progressing very well in the economy and with the present risk scenario, we actually see great opportunity for the insurance business, specifically the insurance business related to next-generation underwriting efficiency. They do want to underwrite risk more efficiently in this very high risk environment. So if you see this slide, you know we are one of the few providers who focus on a combination of data using risk analysis as a product. For ingestion, we use our Magic Submission I'm going to touch on that a little bit later. And a very successful completely MACH-architected intelligent underwriting platform exponent. We also have partners, so we don't build policy admin systems, but we are partners in policy admin. So wherever a client wants to specifically focus on a particular type of business, we would give them our partner systems for policy admin. You know, if we can move to the next slide Magic Submission and exponent end-to-end underwriting with enriched data coming from our risk analyst product is actually creating a comprehensive underwriting ecosystem. There are clients are actually now very interested in implementing slowly for different businesses. So we've built data models through AI to enable various business lines such as property, general liability, workers com, and business auto and right now we're working with many clients on putting together speciality lines and excess and surplus lines leveraging intellects iTurmeric, no code, low code platform.

So our deep customer-centric focus actually provides us both cross-product and cross-business ecosystem, so what this really means is that we are in a position to get into a client, maybe with Magic Submission in the earlier slide you saw the ingestion capability and then extend it to specific lines of business. There are many lines of business. Some insurance companies do few lines of business, some others do many lines of business and we actually enter into a specific area either a business, either a specific function of just Magic Submission ingestion, then we use data as a separate product, and sometimes we add to it. The ability to even take it end to end, to underwriting. I think that combination has worked extremely well and has given us a strong focus on landing and expanding with our clients. Our plan this year would be to exceed 1,000,000 submissions through Magic Submissionand the pricing is based per submission and this is done every year. We are about 80% faster in processing time and 20% higher data quality. But are enhanced capabilities of multi-channel ingestion. We can take data from multi-channels. We can take different kinds of data. We can enrich the data and then what we do is we embed AI to provide things like submission prioritisation, so I will touch on this first point on decision-making time.

Many of our systems are actually helping the client prioritise submissions much faster and choose through our AI embedded platform faster submissions for underwriting compared to the old BPO, you know model which had lot of processing delays and human limitations. So our target is actually to go after the BPO industry for Magic Submission.

And actually we therefore, if you saw the competition slide, we had convert and ground speed, which are the two competitors, this combination of putting together intelligence of AI embedded is something that many of them do not have, which is why we're getting a lot of traction.

The market time is expected to be about 100 million submissions every year and our position in this vital area in underwriting shows enormous growth to be able to process with all of these operational capabilities for our customers going ahead. We continue to obtain an edge over competition such as guide wire and Duck Creek, now Guide wire and Duct Creek are the big policy admin providers who also do underwriting. But I think the capability of our underwriting ecosystem makes us a lot stronger than Duck Creek and Guidewire and actually don't, you know, most people are slowly moving away from those platforms or many of them have been doing underwriting outside of those platforms and we actually are the best solution to be able to use our eMACH architecture along with the embedded intelligence to be able to help them, Manage the end-to-end process and with partners who we have partners. For example, to do rating of risk, we have partners to do policy admin capabilities. I think that ecosystem provider is attracting a lot of attention from some of our clients.

To this effect, our GTM focus now includes 3 aspects. One, it's expanding the TAM to all those businesses I mentioned, property, casualty and so on. That is number one. Second, a custom offering leveraging intellects, proprietary low code platform iTurmeric in specialty insurance. This is where we write special insurance for a particular need. And we have not normally done that in the past and this is something now we built the capability along with our underwriting platform and iTurmeric fulfilling that requirement.

So that's expanding our TAM in a new area and thirdly we moved away from carriers to support MGAs wholesalers and reinsurers. And we believe that the TAM of approximately 5 billion years per year on just the technology side for US and UK's is where we believe is the opportunity. I think our specific target within that is somewhere in the 3 billion range.

Now we have 13 customers on boarded a very healthy pipeline and quite a few in contracting as this stage with our newly created OPS team we deal with that exception processing that we have. you know for some amount of our AI capability brings exceptions. We've created an end to end capability to deal with that operations capability and what that operations capability learning does is that it helps us further in our deep learning and machine learning algorithms, further improving performance.

So those are a few of the things I wanted to touch on the insurance business. I'm going to now talk to you about the wealth business.

OK, so wealth interesting space I think I'll start with saying that global market trends are showing that we've almost tripled the assets under management and many of you are investors and you know the growth in assets under management in the past decade has been enormous.

There's a continuous increase in liquid assets and number of high net worth all over the world in many places. Wealth management firms and banks are struggling to provide new-age AI-driven technology experiences and renewed products to adapt to these new business models.

So you'll see over here we are focusing on a variety of segments right down from the ultra-high net worth and private bank on one hand and to the mass wealth on the other hand. And there is a need to actually enhance the capability to provide scale for the relationship managers and the investment managers to be able to service more customers and to know more about the customers and more about their risk appetite to be able to provide them the right products and there's an enormous amount of wealth transfer taking place to new people, so the ability to bring in new customers and at the same time retain existing customers is very critical.

I think, one thing I wanted to touch on here is that we've started sort of pioneering a differentiated experience for wealth managers and banks and a superior service for both clients using a platform which we call wealthforce.ai.

We believe technology role is to complement the RM and not compete with it. It is a very emotive business and we digitise with embedded intelligence all those business tasks.

In the daily life of the financial advisor they can provide the personal touch in the digital age and help them have embedded AI-powered analysis to supplement their skills. So I'm going to touch a little bit on wealthforce.ai. So, wealthforce.ai that we are now in the process of implementing in quite a few markets we you know that it has got three key models. Firstly, it's got an eMACH.ai which we've already touched on architecture.

We use our fabric data platform and this new offering is the most comprehensive no touch, low touch, financial advisor or RM solution and it's built on these three pillars hyper-automation to absolutely reduce the operations friction.

There are customers that a relationship manager and a customer face in their transactions. The second is hyper-personalisation. We believe that there is an enormous need to be able to match the right risk products to the right customers at the right time and normally the relationship manager doesn't just have all that capability. And how do we supplement his skills with the capability to do that and therefore result in a modern customer experience.

Wherever we've implemented this, it's actually helped the wealth business grow their relationship manager performance significantly. We hope that we could scale this up in several other geographies going for. So what are some examples of that?

Contextual recommendations differentiator with this product is its hyper-personalised embedded AI for contextual portfolio recommendations. It actually helps clients increase their wallet shares. It helps the business not just with the wallet share increase, but it also helps individual investment value systems to be tailored to suit the customer requirements. So very often the customer needs a tailored solution to suit what he wants and the ability to understand the customer and to tailor the right solution to him is really the focus of providing. These are some examples of how the AI is embedded in this particular you know this particular area.

Next slide talks about nudges. How do we create smart nudges? These are personal triggers customised whether a person wants to be socially responsible investment or he wants the next Gen analytics for his portfolio and for their business performance. It is a deeper analysis of the portfolio that we do and therefore we provide the right nudges to the customer at the right time.

And then we provide this end-to-end portfolio performance evaluation that we can help the RM have available on his desktop at any point when he's dealing with the customer and we have collaboration tools between the financial advisor and the customer. So that we can actually retain and deepen our customer relationships to provide them the engagement and collaboration at the right time, and I think the whole focus is about making the RM successful. We have about 20 customers between wealth and capital markets.

And active pipeline discussions in various geographies right now in progress and we already worked with three of the top five banks for mutual fund wealth distribution in India and almost all of the local custodians in India use our custody platforms. In addition, we sort of managed 20% of India's mutual fund volumes on our existing platform that we have implemented with the mutual fund associations. So I think our combination of MACH and our embedded AI for wealth is coming together very strongly, focused on the financial advisor and the relationship manager.

Wanted to talk very briefly on the fact that wealthforce.ai can be implemented independently or together with our core wealth platform called wealth cube. This wealth cube really covers the full suite of six officers and 23 desks covering 150 tools to help complete wealth management for a company. Now some organisations only want to implement their financial advisor, while others would like to actually do the end-to-end wealth implementation.

Some of them want to start with wealth and then move into a progressive transformation of their old platforms because they don't want to do everything together. So I think our capability to be able to focus on that for wealth is vitally important and I think we hope that we would be able to launch very soon the wealthforce.ai in most of the key wealth hubs around the world that we are actually analysing at this point and finding out who we will compete within these markets. We believe wealth force in the present 3 pillars I talked about hyper Automation, hyper-personalisation, a superior customer experience is not actually in its exact shape. Having a lot of very clear competition, they're different fintechs doing different pieces of this, but the complete architecture along with MACH can be very well positioned for ourselves going forth. So that's what I had on wealth. I'm gonna touch on ESG.

So as you know lot of folks, when we talk about ESG, think immediately about environment and climate. But this slide will sort of show you environment, social and governance and the various sub-components.

The platform is already live, with one of the world's largest sovereign wealth funds, and we're actually in the process of implementing and upgrading it to cover all these various blocks and a lot of other data around.

It but presently it runs on AWS cloud and it already has a coverage of 6500 companies globally.

A few 100 India listed companies are already present and we want to expand that to cover the whole index in India very soon and we know that there are regulatory mandates both from SEBI and of course with all the other global countries whether it's UK or regions such as the Europe and the US.

So iESG uses the power of machine learning to deliver contextually relevant information around each of these blocks of environment, social and governance. It is unlocking intelligence that is required for enabling much better risk analysis than just looking at financial risk.

I think people, organisations want to look at environment, social and governance in some markets, governance becomes very critical as we've seen the combination of looking at risk in a holistic way to look at all elements beyond financial risk is what this suite really offers for us and this is what we are in the position today to provide.

So iESG is built on the foundations of explainable AI for ultimate transparency and auditability. Now if you see this slide and you see there are four rating agencies which are the different blocks for each of these. So if you look at whether apples and you'll see 4 rating agencies rating ESG overall or even elements of ES&G at different levels, the same rating agencies and all these are very large global rating agencies we're talking about. OK, now this has been a concern that you can't just accept the best score but you should be able to have explain ability of where the data came from. So our explainable AI takes you down to drill from where the data sources come from.

So this whole contextually relevant environment, social and governance-related data of clients to unlock. Intelligence is done in such a way as that we give you a much better view to risk analysis than you would have before. So this is an explainable AI lots of ESG ratings are today providing scores, but all of them lack the granularity required to make this into an effective business great decision. Now whether you use ESG for risk or you use ESG for impact, it actually helps asset managers and funds to make competitively different investment decisions.

And allows banks to incorporate sustainability, risk and impact into their pricing and lending offers and it greatly simplifies the financial service-related reporting activities that are required by most regulators around the world and those regulations are evolving as we know.

So iESG vision that we have, this is Intellect’s ESG Edge product, is to create a world driven by transparent and sustainable ethical financing within the context of an ever-shifting regulatory and customer preference landscape. We aim at cracking the problem of non-exposed data lineage limited and contradictory industry scores and manually intensive investigative processes.

So the differentiation in our product comes with customisable ESG data. So we actually help you take that data and score it. Now when I say you, I would mean asset managers, banks that want to deal with different company. We would actually give them the ability to create a scoring framework that is tailored according to them on all the data risks that we provide them, along with where the data comes and this actually creates an explainable AI situation to help clients derive accurate insights and this is done in near real time.

So iESG is a very powerful enough to run company sustainability reports on custom metrics against thousands of companies at one time both for the portfolio as well as at the industry level.

It is clearly eMACH, and it's an eMACH architecture. It's hosted on an AWS cloud. It uses fabric data platform that Arun mentioned.

It's got 40 plus ESG topic categories with real time comprehensive sustainability insights for you. And we can show you some of these reports on a separate discussion. We plan to have about 150 data points represented in the next few months, Needless to mention today, iESG will cover investment portfolio that is over 1.3 trillion dollars as assets under management. So very, very comprehensive addressing present issues in data and data explainable and is already being used for many companies around the world and we think we will be in a position to provide people the ability to access this ESG data and then to help them score it and manage the trail of scoring it through a record of how they scored it and why they scored it at that point of time and to get insights into when they need to change this call.

So that's a bit of a picture on ESG. It is something that's very important right now and evolving quite rapidly and we've actually been able to leverage our data and our AI platforms to help service it, which is why the world's largest sovereign wealth fund shows us compared to competition, which was pretty much all the major players that do ESD scoring today.

I'm going to touch on one more new business area. So I want to touch on another cutting-edge AI solution which leverages both eMACH architecture and our DOC2API Intelligent document processing automation platform. It was implemented for Magic Invoice which is now in the accounts payable automation space. I think Magic Invoice intelligently automates the end-to-end account payable process. Some key differentiators of Magic Invoice include smarter handling of format variations. Multi modes of invoices because as you know invoices come in multi modes.

We ingest that data from those invoices, we integrate it across internal and external ecosystems and accounting providers. We provide quality improvement to documents in case documents need to be further improved on. We improve the quality of some of those documents resulting in higher accuracy and validation and thereafter, verification of all purchasing data.

This multi hierarchy approval process also means that the right people can approve the right things and end to end this approval process, the processing process again we are targeting lot of the BPO industry that does this. I think its significantly upgraded with this capability we have seven clients and we hope to sign many more which are in the pipeline.

So some of these competitive advantages as a combination of bringing together are again our fabric data platform again rolled out on a cloud and a WS is rapidly eliminating operational processes in the invoice management flow and the value proposition if you didn't look at it, the Magic Invoice enterprise can expect to eliminate data entry of invoices, reduce cost of processing, significant reduction in fraud overall operational efficiency. Ultimately freeing up a lot of time for the CFO and the finance function to leverage the data as a source of financial insights so that they can improve the cash flow for the company, attract vendor discounts where appropriate and faster payment cycles and better visibility across the overall function. We expect in the next few months to also add sophisticated capabilities of matching the invoices with POs. and a real time comprehensive insights to further strengthen the product capability and its value proposition.

So these are four businesses we spoke about. you know, at a high level there was insurance, there was the wealth business, there was the ESG side of the business connected in a way to wealth as well as to banks that want to use it and the final one that I touched on is the accounts payable, invoice processing business.

I'm going to touch a few minutes on the technology of how we implemented this AI. So a shift from products to a data and AI as a platform with intelligent document and data processing capability houses a variety of data models for specific AI outcomes across right now, wealth and insurance, but many other businesses and intellect are bringing to tap on these capabilities. These capabilities allow users to gain that extra intelligence.

And capability, you know, we all know how people do it in ChatGPT across areas today and I'm sure many of you are using it. But this is very specifically related to a specific business outcome and therefore our products and intelligence come together along with the right workflow to fulfil whether it was underwriting or the relationship manager that I spoke about.

So specific tasks and over time is going to be utilised by many products because this platform is evolving quite rapidly. It has fabric data services as well as intelligent document processing platforms. The four systems that you see on the top I talked to you about three of them.

So the first stage, if you see this, is a progressive sophistication of our product and platform ecosystem will create a differentiated customer service ability to entities to build and configure their own capabilities. I think between 2015 and 2018, we saw the first wave of what intellect invested in an AI and data platform both for sentiment analysis and data aggregation. In Wave 2, between 2018 and 2020, we started using this platform for one of the largest wealth providers in the UK and for all our insurance businesses in the US from the data side, with our product risk analyst, which has now been upgraded many times, that takes input from multiple data sources and then actually helps you underwrite more efficiently which I touched on.

The third wave which has come now between 2021 and 2023, I already touched on Magic Submission, Magic Invoice, ESG and risk analyst. I didn't touch so much on iSherlock. This will be a variant that will help under ESG focus only on governance and improve the quality of people's governance. I think in the last call we had a brief demo on what is the potential of iSherlock and how it can give you governance information.

So the vision is to have a ecosystem of data and AI that is open and innovative to help customers and fintechs develop and deploy their own AI models on our fabric platform. Eventually that will take a combination of data and intelligence and actually help you implement this at scale for your business for different areas that we will already enable you across the various areas of financial services. So this is a very interesting evolution that's beginning to take place on the AI side. Our platform's ability to deal with data and intelligence is coming together very strongly on this fabric platformand Intellect AI is using it very strongly for insurance and wealth, but there's several other businesses that will be using it in different ways. You saw Rajesh talk about data and ESG in his slides and I'm sure Manish has a lot of similar areas that he's already working with us on in the trade supply chain payments areas. I think the Intellect AI I think will be positioned very well and has a very strong pipeline going forward. Thanks. I can hand over to Manish.

Arun Jain, Chairman and Managing Director

Thank you Banesh. I think this is the entire fabric platform that Rajesh has covered composable platform of eMACH.ai where the retail banks can compose their own solution. Banesh unit Intellect AI covers the entire fabric as a core platform on top of it. We are bringing an API at embedded points, a lot of questions are there on ChatGPT and other things, but this is the final nature of embedding the API into it processes. It's not generative AI. This embedded AI, which is different from it and this is what is this? What are we disrupting? We are disrupting the BPO industry today. BPO or KPO industry, to make it the next level of robotic automation, which was being promised five years back to we bring to reality with no touch, low touch decision making. With this third business unit, which is Manish will take you through the new avatar of GTB, which is evolved in last seven years of his journey to a very distinctive proposition for the market across the world. Over to Manish.

Manish Maakan, CEO, iGTB

Thanks, Arun. My screen is visible?

Arun Jain:

Yeah, all perfect.

Manish Maakan

Thank you very much. Now, so thanks for I think a very powerful presentation Banesh. It's very strongly aligned to the AI future. He's definitely inspiring all of us. I'm going to try and in the next 20 minutes or give a shape of where we are and how we are driving profitable growth with market leadership as a core agenda and how we help our customers, our associates, our partners win with iGTB. That's the core mantra for today's session. I'll give a quick highlight on what are the banking trends and what technology spends are there because this becomes an input for where we invest and where we grow. And then we look at our products aligned to it, our customers winning with it. And how do you support with the partner ecosystem and what are the analysts continuing to say about us which we have shared multiple times before.

To begin with, if you look at this data from McKinsey, the commercial payments is continuing to grow and they grew 11% globally and if you look at the cross, the 1 trillion mark and 53% of them were commercial payments.

So that's the space we are supporting and this space is counting in from a transaction volume has grown 19%. So there's high growth and the value, velocity and volume. All three variables are continuing to grow as we become more and more digital.

From what are the industry analysts looking at from trends to support this growth, this kind of volume, what they're forecasting is what you need is a customer engagement, which is hyper-personalised and has got leveraging AI to offer treasury capabilities. The payments have to be real time and with ISO20022 formats being rolling them out. How you going to adapt to that? So there is a common pattern. What sense will you make of that data to monetise it?

The third wave which we have consistently looked at is the digital transformation. Where are the API first and cloud native technologies which we all have been talking about and delivering to. It is getting to a next level where ecosystems have to be open so that you can embed and be part of a larger network. You get consumed and you consume something so that everyone gets the network effect. For that you need embedded banking capabilities and the product innovations are for real time treasuries, commercial loan originations and how do you make trade really 3.0 digital and support the supply chain growth.

This is what Celent says are the core needs which they are seeing corporates demand off of the corporate banks. Then we looked at what is the technology spend happening around the growing volumes and the new capabilities which are required. So it's about its growing at a 6.5% CAGR. It's growing from 7.1 to 10.3 billion. and it is a corporate banking application only spend. This is the area where we play. This is not the full corporate banking spend.

That number is much larger and out of that 2/3rd of that is in the transaction banking space.

So we as Intellect, iGTB is focused on an addressable market, which is about $7 billion. This just gives you a perspective. I'll connect back to this towards the end of the slide. So the transaction volumes are growing, capabilities are becoming real time and closer and their spends for that is growing.

So how are we leveraging that in our product leadership journey, we defined our mission is the consumerisation of commercial banking. What does it mean in a very simple layman's language?

We as individual retail customers, we get instant gratification of what we want and we are getting hyper-personalised. Why would a commercial bank be any different where we as individual corporate managers need to consume a technology any differently? Why would we expect anything to be T+1 kind of a thing So all of that is what we are trying to leveraging our technology, bring down the two commercial banking which is a hyper personalisation real time connected journeys action triggered insights, immediate gratification, friction-free experience at scale and a desire and trust-based decision making. So we've looked at all these six tenets and we are continuing to leverage our technology to deliver use cases to the customer journeys where this can be delivered.

Today, we very proudly feel that there's we are only single global ecosystem for consumerization, which can offer the entire corporate banking exchange. A full digital transaction bank for mid-sized banks, liquidity investment deposit, virtual accounts, cash management, payments, trade, supply chain, all organically built on a single data architecture.

I've got a lot of my peers, some very respectful, some very big, larger than me, but they have all gone through acquisitions and we have seen lack of consistency in architecture what it does and that's why we are seeing some of them fall out. So remaining organic self-funded like Arun called out, this is what we have been driving and the scale of I will give you examples of while on the screen it shows what we have managed to do. I will show that in individual products how we have scaled that up. All of this has been built on an eMACH.ai architecture, which is the best comment I got it from one of my largest customers based out of UK, there group CIOs saying, Manish this architecture is wonderful. Every architect promises me every sales company promises me. But what I am proud to is you have landed it in my environment and we are live on this.

That's the difference between an aspiration, a sales pitch and having in production-grade ready architecture, serving close to a trillion dollar of deposit base. So that's the scale it serves with 50 plus countries.

This is a large best-selling platform on corporate treasury with now 56 countries and 54 customers. And out of this 24 are amongst the top 100 banks of the size and scale of more than $100 billion asset size. A digital transaction banking for all growth markets and emerging markets, we are in seven markets. We are practically the de facto standard with more than 70% market share in those markets and continuing to grow deeper with each one of them.

Virtual accounts are what is we're helping banks to manage their deposits right now better. We've seen how flight of deposits has happened in US and how solutions are can be offered where you can offer reconciliation real time. So virtual account is a very important tool as we go forward in our journey.

Payments has been there consistently and there are many players over there and we are also amongst them. One of the common things all of us will say we have these many rails and we are across these many countries but not anyone else right now says is that we've got cloud-based contact-sensitive corporate payments, which means I understand the context of your transaction and I help you take a recommended decision for you. What is the best route and what's the cheapest transaction for you to be able to execute? So that's a differentiation because of AI, we've been able to bring in.

CBX has our largest footprint now with 78 customers. We started this journey taking the assets off the city, which all of us know and having built that for more than a hundred countries, that journey continues and we've been able to replicate it across now 78 customers with 55 country footprint and this comes with 100 plus user journeys pre-built with 450 plus open banking APIs creating the integration.

The youngest platform, which is fortunately born in an age which was micro services and AI, so which leverages iColumbus.ai for trade and supply chain and we've now got about 24 customers supporting 11 countries and we built it around how to leverage AI to simplify trade.

Trade is a lot of paper-based processes which happens and how like what Banesh prior to me showed on Magic Invoice. How we leverage that on magic LCs and magic invoices and we make all of this work which is so much paper-based defect prone and needs a lot of manpower and how we automate and make it trustworthy? So that's a significant differentiator leveraging AI we brought in trade and supply chain. I hope to continue to share more wins around this platform like we've been sharing across all other previous platforms.

So with this five products, what's been our customer leadership journey? I think this is the biggest proud moment for me personally and for all of us at Intellect, a current corporate banking leadership journey. Now more than 60% of the world's top banks across every market, if you will see four banks out of 10 in North America, seven out of 10 in Europe, nine out of 10 in Middle East, seven out of 10 in India, five out of 10 in Asia and APAC. These are the scale of customers who are leveraging our technology, who are trusting Intellect and who are growing along with us and we are also growing along with them.

I don't think there is another vendor on corporate banking who can demonstrate this depth or this width of customer base across the board. I think it's our moment now. It's about going deep in them and going into deep in each of these markets and continuing to scale what we managed to do. Last quarter, we crossed the 100 mark of number of customers for us, which is where continue to focus on cross selling more products to them to grow our journey.

I think all of us cherish looking at this picture and hopefully, all of you will become bigger promoters for Intellect or this is the kind of customer base which we have across the world today.

So when you have that customer base, what becomes very important is do the customers trust you or are they promote us. So this is a core metric which I take very personally and consistently focus on if you deliver first time right to the customer, if you put the customer at the center, if you are solving his problems, business will come to you. The business will come in terms of same customer, business will come in him recommending to others, and as they move they just call us. Liquidity as a platform, 70% of our sales are buyers who are not buying it first time they have bought at least twice before.

So that's the kind of network effect it creates because of the NPS focus on and how we drive this input. This has been led by a customer experience very passionately driving it. Interesting to see McKinsey put that down in a statistical form in what it does and we've experienced it. We focus on the customer experience; the growth is two times. It's all about knowing the customer person personally and having that one-on-one relationship at all levels. Focus on medium to long term versus trying to make a short-term buck from them and consistently measure and improve the customer experience. This is where the magic happens.

This is an example of my top 10 customers how over the last 10 years, they have continued to grow and consistently are delivering revenues to us. It's about $450 million in the last 10 years from these ten accounts we've managed to grow and its continuing focus on going deeper each of these customers are the marketplace and not an individual customer and we will just focus on GTB and we managed to take some bits of the consumer into it. We're now taking AI into it. So taking all Intellect assets deeper into these customers, those are our golden nuggets.

This is a slide I've shown multiple times. Last time I showed we were at 2.7 products per customer and we've reached 2.9 products per customer. So the continuous focus on cross-selling to the customer and going deeper is showing up a target for FY26 is to get 150 customers which can help and get to four products which can simply by that mathematics grow to twice our revenue and grow our market share from 2.9 to 6%.

Now 6% of the market share, if I can extrapolate that to a $7 billion, all I need to do keep showing my value better, better customer experience. You can all multiply the numbers what it can possibly do.

To support all of this, we built a very strong power sage brand along with iGTB Oxford. Next week we have our eighth session happening in Oxford, London. This is where the world's best come in network and contribute to each other on what's happening in transaction banking and how we are driving. Again if you will see every such measure has an NPS core or what it means and why we drive and this is again an example of the banks who come and design solutions with us. We build a joint desire of where the transaction banking is coming and we trust each other or where we going. I'll Keep this for 10 more seconds so that we can all absorb and see the company we keep, and this is our pride and this is our something we really live for.

To serve and grow along with each of these customers and all of this is supported by our 8012 FinTech Design Center. We bring them here after we drive desire. We bring them here, we do POC and we help them innovate and deliver what they want to do it.

Now going forward, a very significant focus on last 18 months has been to build two very strong strategic partnerships. I've shared Microsoft before the second one. We're now working along with is Accenture. So one strong cloud partner and an AI partner and one strong digital partner. Along with them, the three of us, we are looking at creating magic in the marketplace. This is where something different will happen in the next three years. So keep an eye on this and we'll keep sharing more with this. This is the vision we built along with Microsoft to build a network for commercial banking and this is what we intend to build and scale up to be able to support across the world in these many markets. Finally, on the analysts, I've reduced the number of presentations, but you can look at each one of them. Every customer rates us #1 by far in everything.

One platform iColumbus, which is trade finance, is the only one which is not number one. It is #2. So we live by that value be #1 or #2 or get out of the business.

And we're continuing to live up and due to that with all the teams committed to take trade and supply chain also to a number one platform over the next three years. And we'll keep sharing that journey.

And this is the leadership management team which you have all seen consistent since inception. All of these individuals you see, they are all been prior customers of Intellect.

And that's why I say it's been built by customers for customers. Thank you very much.

Arun Jain

Thank you, Manish. You finished in 20 minutes' time so it's nice to have it. So now let's leave for the question-answer session, Praveen.

Praveen Malik

OK, thank you, Arun. Now we are starting a question and answer on the Q&A. Please click on the raise your hand to ask a question. Please click on Raise your hand to ask a question.

We first have Ruchita Kadge e from iWealth. Please ask your question.

Please unmute her.

Arun Jain

Our second member? Put two people in the row

Praveen Malik

Next, we have Mr Mohit Jain from Anand Rathi Securities.

Mohit, please ask your question, please unmute him.

Mohit Jain, Anand Rathi Securities

Yes. So three questions, Sir. One is on the licence revenue now this obviously has been a very volatile and extremely strong quarter versus what we thought. But how do we look at licenced revenues going forward? Do you still see that shift to SaaS happening impacting growth or do you think most of it is done and now this will be maintained in proportion?

That is one and the second related question is on SAS/ platform growth. This number - YOY, appeared a little slower compared to the excitement that is there in the market.

So what is happening there? And related thing is what is the update on GeM? Is it still driving the bulk of it and is it up for renewal next year and what do we plan to do there?

Arun Jain

OK, so as we mentioned in the past that Licencing SaaS are the two options we have to be given to the customer based on their preference. Some people prefer licence model and some people prefer SaaS model, so there's a balance of the two options, which is there.

Some companies have decided to only offer SaaS but as the intellect we are aligned to customer centricity and that's why we are offering both solutions. So, predicting a particular year, how much SaaS, how much licence, is not our agenda. Our agenda is how much licence linked revenue can we grow year on year. On last five-year basis, our licencing revenue growth Is close to 34% year on year.

That's what we want to drive it.

Mohit Jain, Anand Rathi Securities

But Sir, do you see licence revenue also growing year after year like initially, we thought over last few quarters that now shift is happening towards SaaS, so licence growth should slow down and SaaS should accelerate and you also spoke about some slower growth for few years because of the shift.

So is that phase broadly behind in terms of custom preferences or do you still think that way out?

Arun Jain

You cannot predict anything on this moment. You just look at it all of them together - 3 elements together.

Mohit Jain, Anand Rathi Securities

OK.

Arun Jain

And then for an investment perspective, all three elements give you the licence link revenues, which is a high-margin profit.

Mohit Jain, Anand Rathi Securities

Right. And so second was on the SaaS platform growth by YoY and then the contribution of GeM?

Arun Jain

Yeah, so SaaS growth YoY - I think GeM is there, but it's not main contributor. Lot of contribution coming from AI platform which Banesh has highlighted, Rajesh has highlighted on the customers in Europe, so those all SaaS platform customers. The revenue builds up in SaaS is back loaded when we sign the deal by the time we come to the SaaS revenue stream it is 12-18 months, sometime 24 months' delay cycle between when we sign the deal and the actual SaaS revenue when you start getting booked.

But that's about SaaS. GeM is coming for renewal, so we are fighting the RFP battle for the renewal.

Mohit Jain, Anand Rathi Securities

Last actually on the finance side, so our cash generation for this year was very low. So what happened there and how do we see it going forward in FY24?

Arun Jain

We mentioned that all our internal transformation happened because of our internal cash generation, I think reinvested back. So in the month of April last year, we mentioned that we'll be using our internal cash to drive the change rather than taking a funding from outside.

So all this eMACH.ai has happened with the cash so it's a great success for us to have them and maintain this without diluting a single penny. We could able to transform the organisation. Obviously next year the cash will be higher in our kitty because major investment of eMACH.ai is behind us, so cash generation will be better

Mohit Jain, Anand Rathi Securities

Sir, on the receivable side like it was also stuck in working capital, some of it apart from the capitalisation. So is there any improvement seen there?

Arun Jain

It's not quarter on quarter or year on year, sometime the project completion happens that Price contracted not due has grown to 300 crore, that's a big number in this receivable cycle.

Where this back ended projects I mentioned in the beginning that it's milestone based payments. Because of milestone based payments, it becomes due only when a particular milestone is completed. So that is we have a logged in, it's a kind of a business model we are in.

Mohit Jain, Anand Rathi Securities

Okay, capitalisation for the quarter was how much?

Arun Jain

Similar 34-35.

Mohit Jain, Anand Rathi Securities

OK, perfect. Sir. Thank you very much and congratulations on getting back to 20%.

Thank you.

Arun Jain

Yeah, not getting back to - it's a 20%. We are not getting back to anything. We are on same trajectory, expectations are different from you.

Mohit Jain, Anand Rathi Securities

Yes, I understand.

It was a very strong quarter indeed. Thank you.

Arun Jain

OK.

Praveen Malik

Thank you, Mohit. Next, we have Mr Anil Sarin from Centrum.

Anil Sarin, Centrum

Sorry, I was on mute. I didn't realise it. So. So Arun and team, fantastic!

And you've just sort of, you know, lived up to our expectations and you've gone beyond. So congratulations on doing what you're doing.

Everybody is talking about AI and you are now, you know, I think a lot of interest will come. Tell us about what you are doing in AI. So congratulations on your foresight and your positioning. I mean, people are just doing chat and you finding solutions through AI.

So, a lot of foresight involved in that. Sorry. I'll just come to the question without wasting everybody's time - One was growth has already been addressed. But this, if you can just elaborate on the on the SaaS side, we get the combined thing SaaS as well as GeM and the earlier participant has already asked that. But I just wanted view on where you see this as given all the banking turmoil that is happening in US, Europe, etc., how does I mean two things.

One is how do you see SaaS growing as a percentage of your revenue? That is part one and second with all this negativity that is surrounding, I mean the recession is fine, but banks in particular are getting hit. So how do you get impacted by that?

Arun Jain

OK, so you're asking two question basically banking and what when banks are getting impacted, they want to reduce their operation cost.

There are two agendas banks have - some people have very old technology architecture is like managing a air conditioning in an old building which is 100-year old.

So it cost you more, so you need to change the architecture of the building to commit to the newer building where all the cost efficiencies can be built in. That's what Rajesh is doing or eMACH.ai, Manish is doing to create architecture. Second part is where the SaaS plays a role in our journey. We play a role in specific services to be given, like Banesh has highlighted magic submission. Magic Submission is an underwriting policy.

So now we are able to provide a unit pricing per policy for end to end processing of the policy from the e-mail when the policy comes to the policy gets to the table of underwriter.

We add all the value addition, validation, data entry, everything, and there's a unit price of it.

So great opportunity for us to grow SaaS revenue is the way GeM revenue grew first two years - it was slow, third year, fourth year start growing. Similarly, Magic submission is one area where we are expecting this revenue. Today. the US has a close to 200 Mn policy submissions every year. And, we are able to price our submissions between $10 to $20 per submission and having a 5,000,000 policy, it's close to $50-100 Mn SaaS business around it.

Similarly, there's a magic invoice business which is accounts payable business where the similar kind of a equation is there, that per invoice processing, we have multiple companies have no. of awesome and many companies have come in that space. So this is the second space in SaaS which you're looking at.

Third space in SaaS you're looking at is ESG. ESG to be offered as a service with a complete ESG wheel available to it which is third SaaS service. Fourth SaaS service is hosting core banking, hosting iKredit is the fifth service in SaaS business

So, these are the five SaaS services which are there. Then we are looking VAM to be hosted - Virtual Accounts Management, embedded finance to be hosted. So these are the multiple platforms, which are being highlighted in this presentation. So there are close to 8 platforms where we have clear go-to-market strategy but the traction will not be quarter on quarter. Traction will be over the three-year period. So we have a 3 year plan and two quarter visualisation or planning. So we are working on now three-year horizon with two quarter focus on ensuring that we are able to meet the numbers as well as have the visualisation of three years. So that's a long answer to your short question on what is our SaaS strategy. And, U.S. banking industry is in turmoil, but such turmoil do happen. As I mentioned Brexit happened, three quarter delay happened, Ukraine happened, we have two deals lost similarly in the US.

And this crisis happened. We lost two deals again over here and other things, which will happen as a part of our journey.

But after 2-3 quarters it come back to the same thing because technology needs cannot go away neither from bank nor from insurance.

Anil Sarin, Centrum

OK, thank you. I just had one follow up question that you know in the earlier calls, I think Rajesh had mentioned that in core banking you were in the last three in a couple of tenders which tend to be over more than a year long process. So if you can provide an update as to where we are, are those tenders, are those processes still on and if yes, where are we in that?

Rajesh Saxena

So I think now we continue to be in the same process. I think as I had mentioned earlier, there are large couple of deals that we are in the final stages and in the next couple of quarters we should be able to announce the results of these tenders. So I think to answer your specific question, we continue to be in the process and actually we've added a couple more in these from that perspective, and we should have the results in the next couple of quarters.

Anil Sarin, Centrum

And we are still in the top three or is it being further pruned down to maybe top two or something like that?

Rajesh Saxena

In couple of deals, I think we are still in top three in one deal, We are now in top two.

So I think deal by deal this is varies, but we continue to be there, as I said, we continue to face these three cover in the Europe and the large field now continues to be Temenos, Thought Machine and Intellect fight.

Anil Sarin, Centrum

OK, thank you. And wish you all the best in this in in in these bids. Thank you.

Praveen Malik

Thank you, Anil Next, we have Sugandhi Sood from InCred.

Please unmute her. Sugandhi.

Sugandhi Sood, InCred

Congratulations on the good results and thanks for taking my question.

So I just wanted to continue from that point where the last speaker left. I noticed that in your current version for last quarter you have among your destiny deals 13 deals in the greater than 50 Crs bracket and you know I'm just doing simple maths. I understand is it down to the tenure of these deals? Could you give some flavour of the tenure or the nature, whether it's SaaS or legacy? Or licence or traditional licence and you know with whether this will flow through in coming quarters and you know what kind of time frame we're looking at.

Arun Jain

Sugandhi, I think you are doing too much of math, analytical mind while looking at it on when it will happen. I think it's as I mentioned that all of it is licence linked is more important than the 50 Cr deals.

In this quarter, these destiny deals which have signed up, I think 2 are licence. One is more on SaaS revenue. But you will not able to forecast that particular model so much Sugandhi. I think more important is to just listen to the presentation, which three leaders have presented and look at what is the potential of these presentations for next year prospective, whether they can grow 20% year on year on that those presentations. So that will give you the much better way to forecast.

Sugandhi Sood, InCred

Yeah, sure. Of course. No, that's a very insightful. And also just on the, if I noted it correctly, you said that your intensity of spending on platforms will lower here on. You know most of the platforms spend and I speak in the last year and I'm just referring to the cash conversion that was highlighted earlier in the call. So is that correct because there CapEx intensity has gone up last year, so is it expected to go down from here.

Arun Jain

That's right. So this quarter our profit has come back to 23%. EBITDA margin come down come to 23% from 18% last quarter. So that's the improvement is happening there. On cash side, improvement will happen. This quarter has more cash to be spent for the pay out of the bonus for the year. But for the whole year we should have a healthy cash generation.

Sugandhi Sood, InCred

So are any margin range that you would point us towards you know considering that are kind of stabilising and your growth outlook is also healthy.

Arun Jain

We mentioned our business is designed on the principles of 20% growth, 25 to 30% margin levels.

Few quarters few months we will be reinvesting back that will be based on the how the market behaves with the technology changes happening.

But our design is always around 25% plus for the margin but few quarters will have a lesser margin when the investments will be higher or some licence is not signed or some investment we are doing with the clients.

So that that shift will be there.

That's how we have designed the business.

Sugandhi Sood, InCred

So that's very encouraging. One final question - Is my understanding correct with SaaS becoming a bigger mix and we've seen that happening over the last two years, the revenue to cash conversion and I'm talking about you know the working capital here and not in the you know in investment that we do in R&D.

Is that something that should improve because, you know gap between the timing of recognition of revenues and payments would be more aligned in in a SaaS environment compared to a licenced environment.

Is that something that we can expect going forward a higher cash conversion as SaaS becomes a bigger?

Arun Jain

It's as of now it's SaaS model is not fully mature, so I would not say anything as of now. We are some deals we have a upfront payment, some deals we have a back-ended payment on a milestone basis.

So the cash flow and working capital, I think that's not a serious concern. The company has healthy cash.

So that's not such a critical issue for us right now. My purpose is how much we can win and how much could be repeatable SaaS.

SaaS in a healthy situation, in a mature model gives you a 70% plus margin.

That's the kind of health of the SaaS business. But that takes almost 4-5 years of the work which happens after we are getting first few clients.

Like Banesh is saying the 13 client in Magic Submission, there are 7 clients in Magic invoice. These clients take some 4-5 years to get stabilised.

Sugandhi Sood, InCred

So thank you. Sir, that's very helpful.

Praveen Malik

Thanks Sugandhi. Next, we have Mr Majid Khan from Capital X .

Please unmute him.

Majid Khan

Good evening, everybody. Thank you for giving the opportunity. This is the first time I'm joining the conference call and first of all, I would like to congratulate Arun Sir for giving this opportunity and very, very good set of numbers. So I want, I would like to ask my simple questions.

With regards to the results quarter 4, my question would be - Where you can see Intellect in the three years?

And my second question will be - I would like to congratulate all the Teams that have seen all the IT companies in in the sector. But Intellect is the only product which I am proud investor of it. And since three years I have invested continuously invested in the company and I have seen the drawdown of 50% but still I have trust on our company.

Because we are the unique company in the whole India which has a product and we are the leaders in all the sectors in all our business platforms and that is a great thing which definitely soon the market will realise and I hope and I believe. Thank you very much, Sir.

Arun Jain

Yeah. Thank you for your trusting the company. I think and there's a huge scope is there. We wanted to show that how the revenue growth will happen, each of the space we are working on.

We are competing on the companies which have to invest $100 Mn to create a platform called Let's say Magic Invoice equivalent platform.

Our cost of leveraging fabric to meet the same expectation is 1/10th of it. It is between $5-10 Mn, we are able to generate a quality of the technology, which my corresponding company like Thought Machine invested $550 Mn for core banking, which is still not complete. For us to do that job it takes much, much, much lower money from our perspective and that's very unique company. That's a unique strategy. That's the kind of the people we have, the kind of a committed team we have, is amazingly satisfying for all of us as a shareholder, and all of us as the associate of the company.

Majid Khan

Thank you very much, Sir.

Praveen Malik

Thank you, Majid. Next we have Mr Rahul Jain from Dolat Capital.

Rahul Jain, Dolat Capital

Yeah. So first of all, Congratulations for the strong numbers and just want to need some more input on some of the comments that were made during the call.

I mean, of course you said that what is your view on the US banking issue that we are facing right now?

But you also need to consider the fact that we analysts do attend so many IT services call and they keep talking about a delay in ramp up delay in decision making.

So since you have also run that kind of a business, any thought you want to share that in such situation, do you see that people prefer more transformation because that that they see that as a solution or you think it's just matter of time that we may see better decision making on the other side of the business also.

First, clarity on that would be helpful and then I have one more question.

Arun Jain

First of all, our business is very well diversified. US exposure to us is much lower than Canada, are more businesses in Canada than US.

U.S. banking business is very small in single digits, while insurance business is growing in the US and that is also single digit. But single digit is the only exposure which we have in US.

So US is not impacting us significantly for the slowdown, but to answer the general question, since you attend other services conferences.

Obviously such failure of three banks in a row will have an impact on the psychology of the technology investments, which will go in the boardrooms.

So every boardroom will be worried about it, but do they have an option to adopt Bank Tech Wave5? They don't have an option.

It's a question of some delay - one or two quarters delay where they have to choose some platform or some technology for transformation.

And there we are providing kind of a technology which is Do-it-yourself technology, eMACH.ai. Where we are pitching in our value proposition more sharply for those banks who are well capitalised. So those banks are still looking because these banks who have been in the problem which has happened, they are getting merged in the larger bank, the portfolios are getting submerged.

So, to me it's a two quarter, three quarter agenda where slowdown will happen. Services will get impacted because people, banks are looking for the option where buy and build can be together.

Rahul Jain, Dolat Capital

Right, thank you. And one more question regarding the comment about what Rajesh said that incrementally banks are looking for core transformation project. So are you seeing a sizable increase in the deal that you are pursuing that is point 1? Secondly, you said that there was a competition, which is now limited to two relevant players and we know that Temenos is struggling with lot of leadership changes and our Thought Machine is there, but their return on investment may not be as attractive, so the competitiveness on price could be far better.

So how you see a change in the landscape from competitive perspective as well as from a deal size perspective?

Rajesh Saxena

So I think to answer your question, I think and these are some early trends is that we are definitely seeing large banks coming in for core banking transformation.

And that's definitely something that we have seen in the last 18 to 24 months is the market opportunity around large banks, large regional banks coming for a composable eMACH type of an architecture. That trend is definitely accelerated.

I think to your second question, yes. We see Temenos, we see thought machine in most of these opportunities or let's say that we start with a long list and then we come to these three players. We are seeing that space and we believe, and I believe that we are uniquely positioned because of the kind of investments that we have done in the last couple of quarters on our architecture front and with a pedigree of the depth and the breadth that we have. We are uniquely positioned to capture this space.

So that is my belief and that's what our team is striving for.

Rahul Jain, Dolat Capital

Right. And just one final question for Arunji. I think we have a lot of variety of offerings in the Banesh portfolio which are very exciting opportunities.

Any number you want to give them when they can become of some reckoning size, let's say 100 Mn or any other benchmark you want to set for it in a timeline that you think it can achieve it.

And secondly, you said about the business, which is all set to deliver 20% growth and 25-30% kind of a margin. With the kind of a pipeline you have the kind of start to have for this year, you think and the kind of investment of course you envisage for this year, you think we are going in that zone in Fiscal 24

Arun Jain

Yeah. So we don't want to give guidance, Rahul, we unnecessarily don't want this

We keep repeating, we designed the business in last three years. We are able to show more than 20% business. Our design model is 20%, so we stayed with that.

The opportunity for Banesh business to grow the three or four areas, which is there, Sherlock, ESG H, still, are at the early stages of looking at it. The potential can be between $50-100 Mn in next 5 years, but they will be coming at a margin of $30 Mn if 50-60% margin or 70% margin business.

So it will be highly value accretive from the bottom line perspective, but we need to give It some time.

Rahul Jain, Dolat Capital

Interesting. Thank you for the colour and best of luck for the year.

Arun Jain

Thank you, Rahul.

Praveen Malik

Thanks Rahul. Then next we have Mr Chirag from Ashika group.

Chirag, Ashika Group

Congratulation on a great execution in challenging time, Sir. And I tracked your company since last couple of quarters. So, I have two broader question particularly in product and platform business, very few companies have got success at global front also and India very few companies are there which have done good job. So your company is one of them. So other than BFSI, from diversification point of view if I want to know what are the areas where our application will find place later on? Because these last three regional bank crisis, you also thinking some way that if we have some diversification then definitely in future, let's say this time we save ourselves, but let's say some other unforeseen development happened later part of the year or in future, so any thoughts on that where we see for a diversification? And also to sustain such kind of margin, what are the levers are that that the 5 or 10 years down the line we will have a similar margin profile. That's the two broad question I have.

Arun Jain

Yeah, so Chirag, first of all, five years down the line, margin should be in the range of 40%, because if you're looking at from the perspective of Flex cube numbers, EMC continuously grows so the margin improves as the product company grows. So first of all, that's a 5-10 year type of horizon when you're looking at it and you are looking for the investment for 5-10 years, you have appetite for that. The margin is there 40% levels. Whether it's the Temenos or any other company.

The beauty of what we have done is we embed the growth curve on those margins and our IT team and technology teams are very differentiated, which is ensuring the growth happens.

Margin is not a big deal in a product business because once the customer signs it up, he remains with the customer for the next 15-20 years. The margin maintenance is much simpler Job. Growth is the key, important part.

Your question is whether we want to diversify it out of the financial industry.

See, I don't think so. I think the market scope today when you look at it, Manish puts it $10 billion market size, and Rajesh puts $20 billion market size. Banesh puts it, we have a $50 billion market size and we are still $300 Mn kind of a ballpark picture till the time we have a billion dollars. We are not looking for anything to be worried about going left, right and centre.

Chirag, Ashika Group

OK. So one follow-up question in terms of geographic diversification, is there any plan to increase or start a penetration in India because one of our peer in the listed space getting good business from Indian Bank and Financial Group? Your thoughts on the same.

Arun Jain

Yeah, yeah, yeah. Deeply entrenched in India. A lot of deals are in India now.

Chirag, Ashika Group

Thank you, all the very best.

Arun Jain

Thank you.

Praveen Malik

Thank you, Chirag. Next, we have Mr Ravi Mehta from Deep financial.

Can you be a little louder?

Hello Ravi.

Sorry, are you able to hear me?

Ravi is not able to connect, it looks like.

Ravi Mehta, Deep Financial

Is it better?

Praveen Malik

Now, yeah, yeah, not now. Please go ahead.

Ravi Mehta, Deep Financial

Sorry for that. So just I heard in the opening remarks regarding some branding strategy for the iGCB vertical, something similar to what we did with iGTB on the Oxford School banking kind of course. So wanted to know what kind of activity are we planning and how it can catapult the product visibility.

Arun Jain

It's an overall marketing strategy. I think all of it will not be shared in an investor call.

It's the one part of the strategy that iGTB Oxford did it. It is an indication is given that the big marketing focus on getting into the stage and I think it's not the right platform to share the strategy.

Ravi Mehta, Deep Financial

Sure, sure. And probably any, so the kind of you know actually you've seen in iGTB probably with this branding activity, I think it really picked up well. So, we can expect something similar, kind of a thing happening here also yeah.

Arun Jain

Obviously. All the three brands now consolidated into 3 LoBs and all three brands, Intellect AI, iGCB and iGTB are now having a very, very structured branding methodology around eMACH.ai as a common brand which is driving global access.

Ravi Mehta, Deep Financial

OK. And since that, we are harping on this eMACH.ai platform. So do we have any joint go-to-market strategy with the cloud partners?

Arun Jain

Yeah, yeah, we have. That's what Manish has highlighted, if you noticed Microsoft and AWS both, we are very closely working with it.

So some products are working on AWS, some products are working on Microsoft, so both of them we have a very strong relationship. I met the President of AWS when he was in India.

So it's a deep, deep relationship with both of them.

Ravi Mehta, Deep Financial

OK, OK. And just one more question.

And one small bookkeeping question, if I can ask the DSO days mentioned in the presentation, it includes the unbilled revenue?

Arun Jain

Yes.

Ravi Mehta, Deep Financial

Somehow I don't know, so maybe I'll take it offline because the days are not tallying.

Arun Jain

Yeah, yeah.

Ravi Mehta, Deep Financial

We will work it out. So that's fine, sure.

Arun Jain

Well, we don't include contracted but not due.

Ravi Mehta, Deep Financial

OK, OK. Sure. Thanks.

Praveen Malik

Thanks Ravi. Thank you.

Ravi Mehta, Deep Financial

Thank you.

Praveen Malik

Next, we have Mr. Harshil from AUM Advisors.

Last two questions, Arun.

Arun Jain

That's right.

Praveen Malik

Harshil, are you there?

Harshil Sethia, AUM Advisors

Hi Sir. When we see on a quarter-on-quarter basis, the order funnel size that you mentioned in the presentation has been around 7000 crores since the last three quarters.

So, is it something like the New Deal wins have been very slow for the last three quarters?

Arun Jain

7000 crore quarter funnel I think is a good funnel for us to look at that 10-12 deals a quarter.

If we win, it's the right funnel. So we prefer more the right funnel, than the quantum of the funnel.

So our win ratios are higher and our sales effort and free sale effort as Rajesh mentioned it takes 1-1.5 year to close the deal, you don't want to increase the funnel size.

It's not a consumer business where the funnel is directly proportional to the enterprise sale. The 7000 crore is a good number on which we are working.

Harshil Sethia, AUM Advisors

OK. And can you break up the whole funnel in terms of how much would be SaaS in it?

Arun Jain

We don't do it.

Harshil Sethia, AUM Advisors

OK. Thank you.

Arun Jain

Thank you.

Praveen Malik

OK, thanks Harshil. Next, we have Mr Vivek Kumar from BESTPALS. Vivek.

Vivek Kumar from BESTPALS Research

Yeah. Thanks, Arunji. Uh, see, you've been highlighting this is regarding the revenue recognition policy, you're doing the percentage of completion method and you have also been highlighting every con call about the execution capital, how you have disrupted or in Q4 FY22 you and Prabal have mentioned how you have put down the work into 4 hours or 2 hours work packet and very few defects in our implementation. So why I'm asking this is there are few companies which followed the same method but because of the implementation problems they had to re-write off certain kinds of revenue that is where the doubt is coming from.

It's not about how much is build or un-build, but if you can give more colour on why you think whatever is recognised, the write off would be really less and we don't. Even with the kind of customers we are having, the execution capital that you have built will make sure that we will not have a huge write-off.

So maybe I'm, I don't know. I think I've made it clear right?

Arun Jain

And that's a very good question you have asked I think.

We implemented 43 digital transformations last year. I think this is our core pride why we are winning the business and why Manish is so confident on NPS score. This is a core focus Manish has driven. Rajesh has driven, Banesh has driven that none of the projects of Intellect goes bad.

My competition, when it goes bad, it becomes difficult to do it. We choose a strategy to implement ourselves, not to give partners till the time eMACH.ai has come in.

Because of that strategy, we cannot allow any failure on the field because this is a business which is execution-focused business. We need to have, we need to design success for our customers and that's where the core value of Intellect is there and that's what we discussed about the work packet today. Now we have iTurmeric where we are saying our coding requirement will be less than 5%. With that, it will further improve the delivery quality.

Vivek Kumar from BESTPALS Research

No, this is coming because the percentage of completion has this risk that if implementation is not great, you will have write-off.

The second question is on Intellect AI here. You mentioned in the last con call that you're looking at 15 deals and with this banking crisis, I don't know what is happening in the US so much. So, any clue on the 15 deals. We are still there and how they can be able to close them or what is your outlook on that?

I'm not asking about the number of deals, but the outlook on the Intellect AI insurance business in the US. Because you told last year it will grow 50%.

Arun Jain

Okay. Insurance business is doing that much, I think. Banesh?

Banesh Prabhu

Yeah, I think a pipeline and as a matter of fact, as I mentioned in my discussion, we have very deep contracting discussions in progress with several. So I can just leave it at that, yeah.

Vivek Kumar from BESTPALS Research

Yeah. Thank you Arunji. Thank you very much.

Praveen Malik

There are three more questions actually left.

Arun Jain

OK. Yes, quickly.

Praveen Malik

So can we take them?

Arun Jain

Yeah, just put it on a chat box, just combine it otherwise.

Just take it up here.

Praveen Malik

OK, next we have Jagdeeshan.

Jagdish, you're there.

Jagdeeshan

Yeah. Hello, are you able to hear me?

So thanks for good set of numbers. I'm following this for the past few years. So this is on the part right, you just explained about GSI, right?

So we are implementing the solution ourselves, right and we send the partner with Accenture, right? So what is our future for this GSI collaboration?

So I could see Finastra is collaborating with a few service providers in India, so they are increasing. So other companies are also collaborating. So, in maybe not now maybe in future.

How is the collaborative strategy with the GSI this is the first question.

Arun Jain

Yeah. So this is the question about eMACH.ai?

Jagdeeshan

I mean in the general sense I'm asking.

Arun Jain

Yeah. So because of that eMACH.ai, we are creating open finance platform.

And because of this we can now offer more partners to come in, GSI partners to come in to have a predictable output.

Earlier, we were not giving it to the partners because we wanted a predictable outcome. Now with the technology we play, we can give It to the partners.

Jagdeeshan

In regards to the partnership with IBM, any updates are on that part?

Arun Jain

Yeah, it's going on very well. Strongly. We have multiple deals with IBM also the way Accenture is there, IBM is also there.

Jagdeeshan

That's it from myself. Thanks a lot.

Praveen Malik

Next we have Mr Anubhav Makkar from Drucker Investment.

Looks like Anubhav is not there.

Arun Jain

Sure. Just last one.

Praveen Malik

And then we have just one question, this is Darshil Jhaveri from Crown Capital.

Darshil, please ask your question.

Darshil Jhaveri from Crown Capital

Hello Sir. Thank you so much for taking my question. And I wanted to congratulate on the great set of results and thank you so much for giving us so much time.

So I just wanted to - I had some connectivity issues, and I missed some of your statements, sorry for that being repetitive. I just wanted to ask, whether our revenue panning out and our sustainability in terms of revenue and margin growth would be the basic question. Sorry if repetitive.

Arun Jain

Yeah. The entire last two hours we wanted to say that we can do growth margin, why should we grow, how the margins should grow and what is the growth assurance we are seeing because of the portfolio and what are the risks. So I think, I don't have to repeat what I've really discussed in the last two hours, so if you recall and listen to the recording, you'll find your answers.

Darshil Jhaveri

OK. Thank you so much, Sir.

Praveen Malik

Arun, that is. Yeah, thanks. So we are closing the call.

Thank you very much for participating in case any follow-up questions are there, please do write to us or call us. Thank you very much. Now you can log out. Thank you.