MapmyIndia® MAPPLS®

April 28, 2023

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

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

Subject: Submission of Transcript for Q4 & FY2023 Earnings Call.
Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Madam / Sir,

Pursuant to our letter dated April 17, 2023, please find enclosed herewith communication relating to Q4 & FY2023 Earning Call. The said conference call with Institutional Investor / Analyst was held on April 24, 2023 to discuss the financial results of the Company for the quarter and year ended March 31, 2023. The aforesaid information is also disclosed on the website of the Company i.e. www.mapmyindia.com

Kindly acknowledge the receipt of the same.

Thanking you.

Yours faithfully,
For C.E. Info Systems Limited

Saurabh Surendra Somani
Digitally signed by Saurabh Surendra Somani
Date: 2023.04.28 12:38:46 +05'30'

Saurabh Surendra Somani
Company Secretary & Compliance Officer

"C.E. Info Systems Limited

Q4 FY 2023 Earnings Conference Call"

April 24, 2023

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

Moderator: Ladies and gentlemen, good day, and welcome to the C. E. Info Systems Limited Q4 and FY '23 Earnings Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Anmol Garg: Thank you, Darwin. Good afternoon, everyone. On behalf of DAM Capital, we welcome you all to Q4 FY '23 Conference Call of C. E. Info Systems, better known as MapmyIndia. We have with us Mr. Rakesh Verma, Co-Founder and CMD of the company; Mr. Rohan Verma, CEO and Executive Director; Mr. Anuj Jain, CFO of the company; and Mr. Saurabh Somani, Company Secretary and Compliance Officer.

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

Rakesh Verma: Thanks, Anmol. On behalf of MapmyIndia, I would like to welcome all the participants in this earnings call. We have already submitted our investor presentation to the stock exchange, which I hope many of you might have gotten a chance to look at.

I would like to start by saying that one, we are privileged to have you all as investors or analysts or fund managers who are participating in our journey. I'm very happy to report to all the shareholders that MapmyIndia had a very good year 2023, a stellar year, I can say, without hesitation, where revenue went up 41% to INR282 crores, the PAT went up 24% year-on-year to INR108 crores. The EBITDA margin, we maintained at 42%. With these three, you can see that the revenue, which had grown 31% a year before, has gone up to 41% growth and the EBITDA margin also at 42%.

A few of the items I would like to highlight for your information that during this year, the year, we are talking about, MapmyIndia is making quite a big investment, an organic investment, in the IoT business. While we are doing that, I'll let you know a few other things that have happened. While the 42% margin is well maintained, the Map-led business, which is the core business, had a healthy EBITDA margin of almost 52%.

IoT business, we are looking at in a very positive way because while there are almost 280 million to 300 million vehicles on the road, we believe that the total addressable market, where it is so large, we need to address that market and become the leader in this space also. So, Map and IoT together is what our business has become today and will continue to be our business in the coming times.

Just to give you one small statistics, that in the nine months of last fiscal year, while our EBITDA margin from the IoT-led business was 1%, it grew to 4% in the Q4 of FY '23. And this has been possible because the SaaS revenue or the SaaS income has started kicking in.

The exciting aspect of the IoT-led business is that while we sold 1.9 lakh IoT devices in Fiscal year '23, more than 3x that of Fiscal year '22, there is a potential addressable market of 20 crores vehicles or 200 million vehicles or 300 million vehicles in that range that can be tapped in future showing the large headroom there is for MapmyIndia's IoT-led hardware and SaaS business.

So with this, I want to say it very clearly that we are on the right track in the area, which is hardware-led, we have made it profitable in its first year of operations itself.

With that, I would like to hand over the mic to Rohan, let him explain how the business is going to shape up in the times to come.

Rohan Verma: So, thanks a lot, Mr. Verma. It's a pleasure to be on this call with all of you. Like Mr. Verma said, we had a stellar year, 41% growth, INR282 crores for FY '22. It was broad-based, meaning consumer tech and enterprise digital transformation was up 48% to INR130 crores. And A&M, Automotive & Mobility Tech revenue was up 34% to INR152 crores.

Keep in mind a few things that we have beaten the automotive industry growth itself, which was less than 20%, while our own automotive business has grown more than 40%. On the IoT side, also, as Mr. Verma has said, 140% year-on-year growth. So, on all counts, A&M has done quite well.

Quarterly, the dynamics was that if you look at quarter year-on-year, which we never suggest, our business is an annual business, but even in case somebody wants to look at it, then when you see Q4 of this year versus previous year Q4, you see a 2% growth. The reason is if you go back to Q3 FY '22, there was a semiconductor shortage, and that pushed up artificially Q4 of FY '22. And in any case, Q4 is a seasonally weak quarter of FY '23. In any case, I hope that helps people understand the A&M dynamics at play. C&E, of course, continues to grow quite strong. It's grown at 48%.

1.9-plus million vehicles went built in with MapmyIndia Mappls, up from 1.3 million. A lot of upselling is happening. We were also successful in gaining a lot more orders on the automotive front, even the mobility front, I'll talk about it.

And so that brings me to the open order book. Open order book has grown spectacularly to INR918 crores, 31% up from INR699 crores at the beginning of the year. And this was based on annual new order bookings of INR512 crores, plus we added 250 plus customers, B2B and B2B2C customers. Not all of our customer acquisitions reflect in our open order book because a lot of it is subscription-based or transaction-based, where since we don't have the contractual volume from the customer, but we will get paid based on the consumption or as their usage increases, so that doesn't reflect in our open order book.

So actually, getting these 250-plus customers going up from 600 plus to 850-plus and doing the INR512 crores new order bookings shows that the business development in the year is going to set a stage for the future.

Also, just finally on the, I wanted to share that, look, in this coming year, there are a few things also that we will be incubating some potentially large yet unlocked opportunities for our company. One is in the space of the consumer app and gadgets with Mappls App and Mappls Gadgets getting rave reviews from consumers, I think anybody using Mappls App will say it is much better than Google Maps. The only thing was Google Maps went preloaded, but now the Competition Commission has also ruled against them, that regulatory change is going to happen plus by creating more brand and visibility for us, it will have a positive knock-on effect on our business. So. we have some good plans for consumer space in the time to come and gadgets itself as part of IoT, as Mr. Verma said, the SaaS revenue kicking in leads to that.

Additionally, the drone space also we will incubate and explore. It's a fast-growing market. We have now built up the capability of full stack, providing drone hardware, but also drone services and also drone-based data analytics and solution. We are doing this both organically and through our inorganic investment. And we are already winning a lot of drone business. So that's something that will grow in the time to come. And of course, we'll continue to invest in the products and platforms.

So, if you look at the financial year EBITDA margin, PAT margin, I think the numbers are there. I want to call out that our ex-cash ROCE, return on capital employed, is 122%. And just also to give a sense to people over the course of the history of the company, we have raised just INR124 crores, in the company. And if you just look at cash, also that has grown from INR381 crores to INR485 crores, anybody can see that we are highly capital efficient. And the reason is 28 years of building digital products and platforms, being deep tech from the top management downwards has helped us create competitive products, which is not easy to replicate.

If you look at the Map-led and IoT-led business, we've already talked about how that's growing fast. Map-led business is majority of our open order, about INR700 crores out of the INR900 crores. So, you can see that the Map-led business is also set to grow fast in the time to come. A lot of customer wins across Automotive & Mobility Tech, I'll leave it for Q&A. Similar for Consumer Tech and Enterprise, a lot of customer wins, as I said, BFSI, NBFC, Fintech, Social commerce, D2C and of course, key strategic government wins.

Last point on the customer diversification. Now 54 customers form 80% of our revenue. Earlier it was 35 and the year before, it was 25% So, you can start seeing that customer diversification is also there, and retention stays high at 91% and 250 plus, as I said, we added customers, and we've given our employee breakup, etc. To give you a sense, we are now 1,170 employees, mostly technical, 900 plus technical. And somebody was commenting that in less than 1,000 technical people, you have generated INR100 crores plus of profit. This is a rarity, and we are an outlier in that. Our attrition is 16.9%. I think it's well in control. So, with that, we'll open up to questions.

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

Anmol Garg: So, I had a couple of questions. Firstly, I wanted to understand the growth dynamics in the Auto segment, ex of the IoT hardware business. So, ex of the IoT hardware the growth in the Auto segment looks a bit muted of around 13%, 14% versus strong volume sales that we have done of around 46% growth, from the NCASE solutions, I'm talking about FY '23. So just wanted to understand that, has there been any change in the realization in the Auto business? That will be my first question.

Rohan Verma: Anmol, no, that's not right information. IoT is not all A&M. IoT is partial in A&M and partial in C&E. Our Auto business is quite strong. It's growing quite fast. So, it's definitely much more there. We don't break it out specifically as an end customer type, but it's grown, at least 30%. And volume, definitely has grown 46%, you're right. Industry volume is anyways less than 20%. So, you see our attach rate going up. There are two-wheelers also which are going live with our solutions. So, more and more two-wheeler customers are also there. But at the same time, the four-wheeler customers have also increased. And we are doing a bunch of upselling.

And like I said, our open order book on the Map-led part is about INR700 crores. A bunch of new EV platforms of big four-wheeler companies have started the work, which will go live next year. We are upselling ADAS, connected services. So, we're quite bullish on the automotive part of our business.

Anmol Garg: Thanks, Rohan, for the clarity. Secondly, I wanted to have more of an outlook-based question on both Auto IoT and the consumer business for next year. Any particular guidance that you are giving from the growth perspective for the next year?

Rohan Verma: See, what Mr. Verma said in the beginning that, look, you saw a couple of years ago what our growth was in revenue, but you also started to see our order book go up. Then previous year, you saw 31% revenue growth. You saw what open order book growth was. This year, you can see the open order book growth plus the new set of customers, and we had 40% revenue growth.

So, for sure, we are looking at, at least doing that. And the growth will be, across each of the segments, we see pretty strong, sustainable growth potential in each of our segments, be it Automotive, Corporate, Government, retail, if I say, from a customer type point of view, or A&M and C&E from a market point of view.

So, where we stand today, given the position of our products, our differentiation, our existing customer base and customer acceptance, we think that we'll be able to do much better growth in the future and sustainably so.

Anmol Garg: Sure. Thanks, Rohan and just one last thing from my end, and then I'll join back in the queue. So just wanted to understand the normalized long-term margins that can be there in the IoT business. Right now, you said that it has already increased to 4% odd, right now. So maybe in a time period of two years to three years, if you can highlight that, what can be the margins into this business? And also, a part to that would be that, now we have been highlighting that we want to go more towards the hardware business. So, in that case, will our long-term margins be impacted because of that?

Rakesh Verma: I don't think we said that we are going towards hardware business. What we have said is IoT is a business, where it is hardware-led. What that means is, the moment you give, it's like an investment today and the return is tomorrow. It's a customer acquisition. So, if I give the hardware today, the cost comes today, definitely, but the SaaS kicks in maybe six months later, a year later. And then for the years to come you start, you have done two good things. One, you acquired a customer, whether the customer is a B2B or a customer is a consumer. And then you keep earning, reaping in the SaaS revenue from him for a long time to come.

It's a very interesting business. With great effort, a year back, we decided that the best way for us is to treat it as an organic business only, because it also has a very good impact on the Map-led business.

So overall, what I would like to say, you're trying to understand, what would be the normalized margin. The way we look at it is, what would be our normalized profit ultimately and the profit comes definitely not from margin as a percentage, but the profit also comes on, what volume we create in terms of revenue.

So ultimately, what matters for the company, like last year, if we added INR100 crores cash into the company through a profit of INR108 crores, imagine that's the kind of power we are looking at. That's the way we are trying to run our business. Once you start appreciating this, it's a very new way, another way of doing business.

Anmol Garg: Sure, sir. Thanks for the clarification, sir. I'll join back in the queue.

Moderator: The next question is from the line of Nitin Sharma from MC Pro Research.

Nitin Sharma: Thanks a lot for taking my question. So, two questions. First of all, since you plan to focus on the consumer apps and gadgets side, is it fair to assume that your marketing budget is going to go up next year and if yes, then some guidance would be helpful?

Rohan Verma: See, like we've said about marketing before, we definitely calibrate our marketing spend in line with whatever financial goals that we set for ourselves. So yes, we will invest more in marketing, but it will be aligned with the growth in any case that we are seeing of our overall business. So, if we have given you a sense of where revenue will go in the next year and where margins, anyways we look at these margins at 40% above level, then you can imagine that how much already headroom we have for marketing because other costs don't go up that high in line with that. So definitely, we will increase our budgets on marketing.

But again, as we do everything, we will be quite capital-efficient and different in building a strong consumer franchise, app-led and gadgets-led, which will also have, like I said, a knock-on effect, a positive effect on the B2B business, too.

Nitin Sharma: Okay. And your capex seems to have gone up. Can you please help understand what is in there? How do you see going ahead? And then I have a very small bookkeeping question.

Rakesh Verma: I didn't understand what you said, capex?

Nitin Sharma: Yes. Your capex, excluding acquisitions, seems to have gone up. So, help me understand, what is in there? And how do you see it going ahead?

Rakesh Verma: The capex might have gone up a very little bit. It might be primarily for computers and those kinds of things. But are you talking about the fixed asset?

Nitin Sharma: No, sir. So, your purchase of property plan investments have gone from INR4 crores to INR15 crores, I think in FY '23.

Rohan Verma: So, when we sell these devices, we also provide them on an opex model to customers, where we rent out these devices, and we collect a larger fee per month for a longer time. It's actually more lucrative for us than just selling the device upfront sometimes. So, there's a mix of selling and renting out. So, when we rent out, then that goes as a fixed asset in our books.

Nitin Sharma: Understood. And lastly, just bookkeeping. Some color on what are these 250 customer additions, which are the segments, some break-up would be helpful?

Rohan Verma: So large majority are corporates. Of course, in automotive, each customer can be big depending on how sizable that OEM is. So, we definitely added automotive OEMs as well. And the government, we pick and choose which customers we want to work with. So, we've picked some strategic government organization at center, state and local level, but large majority of corporates, which is great, because that's where we can upsell our whole range and there's a lot more such businesses and that's what we do. We look at which customers and which industry segments, for which use cases we've already sold and then we upsell, cross-sell, do localize selling and that kind of creates that flywheel. That more customers, more use cases, we can sell that back to existing ones, etc. So mostly corporate.

Nitin Sharma: Okay. Thank you, I'll get back in the queue.

Moderator: Thank you. The next question is from the line of Vimal Gohil from Alchemy Capital Management Private Limited. Please go ahead.

Vimal Gohil: Yes, thanks. Sir, my first question is on your explanation around your IoT business and the SaaS revenue that follows, the hardwares that you sell. And you said that there is a lag of about six months to one year until the SaaS revenue actually kicks in. So, what really, so my understanding was that once the IoT device is actually installed in the vehicle, the SaaS revenue should be kicking in immediately. So, if you could just help us correct that understanding if it's?

Rakesh Verma: No. Your understanding is right. But the way it is happening is we are giving the devices in two ways, as Rohan just said, on a rental basis or as a sale of the hardware. Now on a rental basis, if I'm giving, yes, the SaaS revenue starts kicking in right away. If I'm selling the hardware, we might be selling it with some understanding with the customers that we will charge you SaaS a year later.

Rohan Verma: No, either, we bundle the SaaS with the hardware for one year.

Rakesh Verma: Right. So, we may be bundling it with the SaaS, saying that for one year, the subscription is free. And after that, you may be paying, I think that's the reality.

Vimal Gohil: Alright. So basically, the understanding is that now that's a change in my understanding. So basically, for one year, the SaaS revenues are typically free for, and this would be typically for B2B customers?

Rohan Verma: No, that is not right. that's not right. We charge for hardware and SaaS separately. In some cases, like if you're as a consumer, you're going to buy it with a one-year plan or a three-year plan. So hence, the SaaS revenue from that will kick in later. But if you're an enterprise, we'll charge you for the hardware and the SaaS separately, and that will start kicking in from day one.

So, if you look at the SaaS revenue this year of IoT, out of the INR60 crores, INR17 crores has been SaaS revenue, INR42 crores is hardware. So, you start getting a sense of how the SaaS revenue will add and then that hardware base will generate more SaaS in the years to come. So, I hope that helps.

Vimal Gohil: Yes. Understood, sir. And sir, on your margins, basically, if your SaaS is going to take some time to sort of kick in. And plus, you also are going to invest in, as you said, in your consumer business, in drones, etc. Would it be fair to say that the exit rate of FY '23 will be a fair number to sort of look at, at least for the next couple of years?

Rohan Verma: Like Mr. Verma said, we are looking to build a pretty large company, okay? I don't think we are optimizing for quarterly EBITDA. I think we are already one of the highest in the peer set of technology or otherwise also, 40% plus EBITDA margin, I'm not sure how many technology companies at least in the peer set. So, we want to build a very large revenue-based company. On that, the absolute EBITDA growth, absolute PAT growth is what will determine in our opinion, the success of the company, like generating cash every year. Those are the things we are looking at.

So, the margin, we are looking at 40% plus, okay? That has been the track record, on the EBITDA side, we would like to have the ability to go after larger and larger opportunities. I think it's in the interest of the company, while doing it responsibly, to go after the large TAMs that are out there.

Vimal Gohil: Understood, sir. Thank you so much and all the very best.

Rohan Verma: Thank you.

Moderator: Thank you. The next question is from the line of Sameer Pardikar from ICICI Direct. Please go ahead.

Sameer Pardikar: Sir, a couple of book-keeping questions. The dip in the new orderbook is because we have grown our new order book very strongly for the last three years. Now there are some dips, but I'll bet, it's very small 2% to 3%, but what extent is dipping the new order book for this year, sir?

Rohan Verma: Yes. So, the open order book is what determines the future kind of revenue. That has grown up to INR918 crores from INR699 crores. So that's grown 31%. The annual new order bookings, you have to look at in conjunction with the number of new customer acquisition also we have done, because a lot of the new customer acquisition we do, for example, in IoT, when somebody buys the device or a customer comes on board, unless they are contractually obligated or they have given us a PO for the SaaS, we don't book that. As every month that they use, they will pay us.

So obviously, if they have paid upfront for our hardware, they will continue to pay for the subscription. When APIs happen, based on the consumption of the user, as like you ask Alexa, that how far is the airport from you or where is the hospital nearby. She'll answer according to MapmyIndia, it is this. Like that every call, we'll get paid. And so sometimes it's hard to predict and definitely, we don't, in some cases, don't get that contractual obligation, but as they consume, we get paid.

So, when you look at 250-plus customers, a lot of that potential revenue is not showing up in neither in the annual new order booking and nor in the open order book. So overall, when you look at the business potential or outcome, you should look at both in conjunction for this year.

Sameer Pardikar: So, do we see a recovery in this number from the current work that you have reported in FY '23? Or it will be more of a constant number for the next couple of?

Rohan Verma: No, we are aspiration positive, we don't cap our aspiration on order booking. Whatever best we can do, we do, and the number turns out, whatever it has to turn out. Our aspiration, obviously, every year is higher and higher, but we are sharing with you what we achieved in the past year. Of course, our aspirations on order bookings are much higher.

Sameer Pardikar: Sure. And second thing, last year, we, out of INR200 crores, we said that probably INR80 crores has come from open order book, if I remember correctly. What is the follow-on number for FY '23, similar number for FY '23?

Rakesh Verma: You mean out of INR280 crores, how much is from the open order and how much is from the?

Sameer Pardikar: Yes, we did disclose this number last year, so out of INR200 crores of revenue...?

Rohan Verma: Out of INR200 crores, INR80 crores was from, what were you saying?

Sameer Pardikar: Open order. This was some number, if I remember correctly. So, what is the corresponding number for FY '23?

Rohan Verma: I think, it's roughly half and half.

Rakesh Verma: We don't call it out in the investor deck. Maybe we answered it in the presentation or in the Q&A. So, I don't have the exact number, it's roughly half and half. We are open order book, the execution is between 3 to 5, 4 to 5 years, that type of…

Rakesh Verma: Sure. Thank you. That's it from my side.

Moderator: Thank you. We have the next question from the line of Sameer Dosani from ICICI Prudential AMC. Please go ahead.

Sameer Dosani: Thanks for the opportunity. Just want to understand the IoT business more. So, what do you think would be the churn rate because you are running this business for the last one year now? What would be the ideal churn rate in this business now?

Rohan Verma: We've been running it actually as MapmyIndia for last many years, actually almost, I would say, seven years, eight years, 10 years. But in the last one year, what we did by acquiring it was kind of an acquihire. We paid INR13 crores and got a solid team of about 125-odd people, who as a company had generated INR8 crores in that year. And we used that opportunity to strengthen our management bandwidth to scale that business because now there was a full team and our own team. So, if you look at now IoT-led business has about 350 people or 380 people, we put it in the presentation.

And we had our sales revenue of about whatever INR25-odd crores, in that year. So, the objective is always to have nil churn. But of course, you will have some churn. And if you look at the SaaS revenue growing, you'll get a good sense of the kind of that things are progressing well.

So now with scale, we will see what is happening to churn, we'll be better positioned to answer this in the next year or so.

Sameer Dosani: But now since we have been running it for seven years, what should we understand on the churn rate, 15%, 20%, what should be the churn rate? What's your estimate?

Rohan Verma: You can just use that as a thumb rule for now, but again, I don't want to give you a specific number because it's not something that, like I said, we look at this and share with you probably in the time to come, but right now I don't want to comment on it.

Sameer Dosani: No problem. And also now, this IoT business is now at 4% EBITDA margins at the Q4 exit rate. What is the number of devices that would make you comfortable to reach at a company level margin, in this business, because right now, it's a sub-scale business? And what is the kind of plan that you would have, how many years would it take us to reach there, at a company level margins in this business? And actually, since this business is much more profitable because of the SaaS offering, what should be the margin levels of this business once it's scaled to a level that we would have wanted to?

Rohan Verma: The Map-led is also pretty profitable. I don't know. We may have missed that, the Map-led itself is also quite strong as a business. In IoT, you see the headroom for growth is quite high. So, we are looking at what the absolute value of profits, EBITDA, etc, we can generate. Because the yearly margin is a bit of a function of how many new devices you put and what the past SaaS revenue number becomes for that year. So, our growth aspiration for the IoT business each year will determine, what's the PAT margin for that year is and this can be true even in future.

So, but what will happen is, as you said, as the scale increases, the absolute contribution will continue to increase. Like this year, as we said this last quarter itself and this year, as we had predicted that, we said absolute contribution will be there of this business at EBITDA level, which is true. So, it will only grow.

Sameer Dosani: Okay. I understood. And the next question is on the order book. If you look at the order book, it has been consistent for the last three years, it has been consistently expanding, the open order book number. Is the average duration in some way changing like, was it three years in 2021 and

2023, it's four and half years or five years. If you can comment on the average number of years, this order book represents over the last three years, it will be helpful?

Rohan Verma: It's always a function of what type of orders and what contribution they have to the overall size and the aging, etc. So, it's in that order of four or four-plus years, if you want to take it like that.

Rakesh Verma: The issue that comes up here is, we are saying that three years to five years is kind of on an average or somehow, we are just trying to give you a perspective. Some orders could be just, which may get consumed in one year. Some might get consumed in two years. Some might get consumed in three years. Some might get consumed in four years or five years. Now every year, when we look at internally, we say that here is an INR900-crores plus of orders, that is available for us to consume, what will get consumed in fiscal year '24. Internally, we have worked out that number. And then we try to make sure that that number is achieved during FY '24, plus the new orders that will keep coming during the year.

Sameer Dosani: Correct. No, I'm asking on an average level, like INR920 crores is maybe four and half years FY '22 open order book represents four years. So, I'm just trying to understand that.

Rakesh Verma: If I try to generalize it, it's very easy for me that I'll divide it by some number and say, four years, three years, five years. But every year, the same, if I take that INR900 crores, forget about anything new, that INR900 crores, what is this contribution going to be in FY year one? And what will be it in year two and year three may vary, that is the challenge.

But overall, what you have seen is that we have grown as a revenue from INR200 crores, INR150 crores to INR200 crores to INR280 crores, and we are pretty bullish that, there's no reason why the revenue growth will not happen, will not be better than FY '23. That is based on the confidence of the open order that we already have.

Sameer Dosani: Okay. Understood. And so, this converts into a 40% growth guidance that, we have been speaking about, right? So that's the overall color.

Rakesh Verma: Yes, at least, we are saying.

Sameer Dosani: Okay. All right. Thanks for that.

Rohan Verma: Again, look at us year-to-date and on an annual basis, don't extrapolate for every quarter. I'm just using this opportunity.

Sameer Dosani: Rohan sir, just a small follow-up on this because if you look at number of devices in A&M, Auto side, right, I think last year was a very good year for Auto, and we already are at 1.9 million vehicles, right? I'm not sure, at the Auto level, the growth would be lower next year, Auto industry would be growing lower in FY '24. So how should we understand now, can we continue to grow at 40% and where does our confidence come from in Auto at least? Thanks.

Rohan Verma: Yes. It will be a function of a few things. Auto, when we say Auto, we mean new vehicles, which are rolling out of the factory. And four-wheeler, two-wheeler commercial vehicle, IC or EV and we can also sell Map-led or IoT-led. We have an NCASE Solution, which we say, a suite of solutions for OEMs. So, there's a lot of upselling that we can do into new vehicles as well. So, there is potentially a lot of upsides.

One is the steady state attach rates in the developed markets is like 50%, 60% take rate on the whole industry. So, we are just touching like 9.5%, 10%. We have the majority of this market ourselves. So, there's a lot of upselling that can happen from our side, which we will attempt to do, both Map-led and IoT-led. So, I think there's a lot of growth still remaining in the automotive market. That's what's exciting to us.

Sameer Dosani: Understood. So overall, total vehicles sold 50%, 60% have maps, and we are at 9% to 10% of that, understood.

Rohan Verma: No, I'm saying in international markets like Korea or US or wherever, the attach rate of this category of stuff is like 50%, 60%. In India, we ourselves are at 9%. So, you can see, and we are the majority of the market. So, you can see, what our upside can be. I hope that's clearer.

Sameer Dosani: Understood. And industry level, this 9%, 10% would be how much, to get an idea?

Rohan Verma: Again, internationally, it's 50%, 60%. In India, we are the market, now in India, in the automotive NCASE, who else is there.

Sameer Dosani: Thanks for that clarification. Thank you, Rohan.

Rohan Verma: Thanks.

Moderator: Thank you. The next question is from the line of Amar Maurya from AlfAccurate Advisors. Please go ahead.

Amar Maurya: First thing, sir, in new order book, what would be the breakup between the Auto and Consumer Tech, the growth?

Rohan Verma: It's about 60% A&M and 40% C&E. Yes, 60%, 65%.

Amar Maurya: 60% would be Auto, right?

Rohan Verma: Automotive & Mobility, yes.

Rakesh Verma: 60-65% and 30-35% types, yes.

Amar Maurya: And when you say mobility, so basically, we are clubbing in this the basically, the IoT part also?

Rohan Verma: Some of the IoT is in Mobility, A&M and some of it is in C&E. It's not one-to-one correlated. IoT is a product, whereas A&M is like market and C&E is market.

Amar Maurya: So, sir, is it possible like in this new order, what would be, let's say, IoT component, is it easy to break up for you?

Rohan Verma: Yes, like I said, out of the INR918 crores, about INR700-crores odd is Map-led and about whatever, 20% odd or 18% or something, 15% to 20% is IoT-led, so.

Amar Maurya: And that this number would be kind of similar for the new order book also 18%, 20% of the overall order book would be the IoT-led?

Rohan Verma: 20% of maybe, we haven't broken it up like that A&M and C&E is but...

Amar Maurya: So, sir, basically, if I see the C&E order book growth, it has basically seen some de-growth on a year-over-year basis. So, any specific reason this year, for this number to decline?

Rohan Verma: I don't know. See, I don't know, whether that's true or not.

Rakesh Verma: How did you calculate for the de-growth?

Amar Maurya: So basically, sir, last year, if I see '22, the C&E number was INR279 crores. And auto new order book was INR245 crores. So total new order book last year was around INR524 crores, right?

Rohan Verma: Yes. But we haven't broken up A&M, C&E order book. Looking at fixed and volume or what is it?

Amar Maurya: No, I'm talking about the absolute, last year, total new order book was around INR524 crores, correct, sir?

Rakesh Verma: Right.

Amar Maurya: So, in that INR524 crores order book, INR245 crores come from Auto and INR279 crores was from the C&E.

Rakesh Verma: Did we publish that?

Amar Maurya: Sir, I think it was given. I don't know whether it was given in the publication or it probably during the meeting or something like that?

Rakesh Verma: Maybe we can check it up some other time.

Rohan Verma: We'll look up. We can always get back on this. But my point is that I can reiterate. Our C&E business is also growing quite fast, 250-plus customers added, not everything reflected in the new order book, open order book. So, we are fairly happy. Of course, with new orders, you can always be happier if you do better. But in general, it's been a good year.

Amar Maurya: Got that. So, sir, how do you see basically because as you said that the growth is partial from new order book as well as from the existing order book. So, it is primarily divided 50-50 kind of. So basically, going into the next year, as you had added 250 kinds of a customer in C&E, so should we see that accelerated new order book growth in '24?

Rohan Verma: It would be more than yes, 250 customers are not just in C&E, it's across both, but yes, a lot of them are corporate. And this definitely we are running for faster revenue growth next year than, what it was this year.

Amar Maurya: So, I'm just trying to understand, should we like assume because see sir, your new order book, if I see from '22 to '23 has largely remained flat. And if I see '20 to '21, there was like 50% kind of a growth or probably more than 50% kind of a growth. So, going into '24, do you see a extraordinary order book growth, new order book growth because of what all accumulation, we did in '23?

Rakesh Verma: Order book Okay. Let me help you a bit. There's nothing that says that there cannot be an order booking growth during '24 more than '23, there's nothing that says it won't, but the second part also, please understand that adding more customers like 250 more customers in the overall, that also is a sign that, the order growth can happen.

So not just by order booking, open order, but also the orders that happens during the year and gets consumed because of the nature of the business of APIs or devices like that.

Rohan Verma: And also, just to clarify the 245 number, you're saying is for fixed pricing in FY '22. It's not for Automotive. Fixed pricing means, we have this fixed kind of, we are assured that value no matter what just by the reflex of time, but and volume means based on volume, meaning that we are projected or contracted to achieve a certain volume by the customer for which we will get paid as that volume happens. So, it's just if you want to read that and understand that later.

Amar Maurya: Okay. Fine. And sir, like in terms of the, as you indicated that the next year growth would be something around 40%. So, in this 40%, if you can break it up, like how much would be from the Auto and how much would be from the consumer tech enterprise business?

Rohan Verma: We'll let that happen something and we'll let it unfold, see you have a track record, not that it's a secret or anything. But the point is how things shape up in the years, what we do with the IoT-led business, it's not necessarily that we can predict everything. We have a sense based on our open order book, where A&M and C&E will go, but also there's new order bookings and new sales to be done, right. So, I can't exactly tell you a number. But you have a track record to reflect on.

Amar Maurya: Okay. So basically, what was trying to understand like this 40% growth confidence, is it coming from the existing order book? Or is it also built with the new booking, which you are expecting to come, let's say…

Rohan Verma: All of it is coming from the open order book, to be honest. A lot of the confidence is coming from the open order book, plus, we believe that we'll do new order booking.

Amar Mourya: Okay. So then basically, sir, you would be like internally, you would be clear, from where the growth is largely going to be driven?

Rohan Verma: Yes.

Rakesh Verma: Yes. Like any company, we also make a plan and work out with a very fine detail so that the team starts working on that. And based on all that, the confidence has come that, yes, there is no reason why we will not have a revenue growth of at least 40%.

Amar Mourya: I got it. And sir, one last number, if it is possible to you. What would be, let's say, the full year Auto and Consumer Tech revenue, full year basis FY '23 total?

Rohan Verma: Sorry, your question was last year, what was the C&E revenue?

Amar Mourya: Yes. I'm saying FY '23 full year basis, what would be the Auto and what would be the Consumer Tech revenues?

Rohan Verma: Those numbers are there, INR130 crores of C&E and INR150 crores for A&M.

Amar Mourya: INR150 crores for A&M and INR130 crores for C&E. Thank you sir.

Moderator: The next question is from the line of Moez Chandani from Centrum Broking. Please go ahead.

Moez Chandani: Good evening, thank you for taking my question. So, my first question was on the A&M business. So, we've been at the INR40 crores revenue mark for the past three quarters. And this is assuming that the Gtropy contribution, whatever is coming in A&M would have been increasing. So, is it fair to say that ex of Gtropy, the A&M revenues will be declining for the past few quarters? Any color that you could add to that?

Rakesh Verma: We have disclosed how much is the IoT-led business. In the presentation, it's there is very clearly the IoT-led business is how much, is INR60 crores, and INR222 crores or something for Map-led business. So, it's not Gtropy, you can say IoT-led. Now IoT-led doesn't mean, and out of that, we have also disclosed how much was devices and how much was SaaS. So, there's nothing has gone down.

Rohan Verma: Yes, see, Q4 is a seasonally weak quarter for us for Automotive. So, you should look at the trend on a sequential quarter basis, look at the years. And so, that's my....

Rakesh Verma: I mean, I'll add a little bit more. Unfortunately, the more we try to look at sequentially or quarter-by-quarter, we are also unable to analyze that way. Somehow, our focus is very clear for the year to achieve. We have set a goal for ourselves last year in the beginning of the year that we must attain 40% of revenue growth, we must attain, actually, it was like this that we must cross this three-digit or INR100 crores milestone for the PAT. Like that, we set up.

So, this quarter-by-quarter is something which we have to keep working on every day, I know. And when we add up the quarter, it becomes the year that's known. But we don't mess up too much that shifting from this quarter to that quarter.

Moez Chandani: Sure. Okay. Thank you for that. My next question was on the consumer business. So, you did launch your Mappls Gadgets sometime in February. So has there been any revenue contribution from that? And are you expecting any significant revenue contribution from that segment in FY '24?

Rohan Verma: Yes. See, Mappls Gadgets, we publicly launched it, but we've been selling it through the distribution network. So, the retail outlets, car showrooms, car accessory shops or the automotive, Genuine accessories route for a while now. With Mappls Gadgets now the brand and promotion and marketing and then the online stuff will also start kicking in. So, and of course, we will expand distribution. So I mean, A, it's already doing well, but B, yes, in this year, we will look to expand the visibility, reach, and sales of Mappls Gadgets in a big way. It's a fact. And that's what is one of the aspects of what growth we are seeing.

Moez Chandani: Okay. Thank you for your time.

Moderator: We'll take the next question from the line of Pooja Ahuja from Monarch Networth Capital. Please go ahead.

Pooja Ahuja: Yes, Thank for the opportunity. So firstly, I wanted to understand earlier in your interview today, you mentioned that INR60 crores is the revenue from Gtropy, but when I look at your presentation, it's the entire IoT business revenue. So just wanted to understand what's the share of Gtropy here?

Rohan Verma: No, I didn't say at all, INR60 crores was Gtropy. I said IoT-led. I mean, a large part would have come from Gtropy, but some would have come from MapmyIndia also. So just for clarity say, IoT-led is INR60 crores.

Pooja Ahuja: Right, sure. So, since it's INR60 crores, it's almost like 20% of your revenue for the full year. I wanted to understand where do you see this share going in the next couple of years? And in that case, what could be the impact? Because if the share is increasing in maybe the next couple of years, we could see margins compressing and then probably we could see as SaaS revenue picks up the positive impact coming on the margins. But maybe in the next couple of years, you could see the margin decline?

Rohan Verma: There's scale, there's operating leverage in each of our businesses, even in the Map-led business. So as the Map-led business grows that will also contribute to margins and that has its own strong outlook, which is that you're seeing that in the INR700 crores open order book for Map-led.

IoT, we see a large headroom for growth, so we will go after, but we'll keep in mind what margins we want to have. But again, IoT might grow faster or might grow in line with the company. I don't want to predict where the exact shares will be. But overall, at least for the upcoming years, we can give a sense.

Pooja Ahuja: Okay. Yes. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Anirudh Agarwal from Valuequest Investment Advisors. Please go ahead.

Anirudh Agarwal: Yes. Thanks. On the Auto segment, I'm sorry to keep harping on this, but I'll just ask it straight, has there been any pricing pressure that you're seeing in any of the Automotive and Mobility revenue, right? Because in a quarter, where overall industry volumes seem to have grown, we have de-grown Auto revenue ex of IoT. So that was hard to understand. So, is there any pricing pressure that you're seeing?

Rohan Verma: I think I explained again, I don't know why this question is coming that Auto de-grown ex-IoT. All IoT does not fall in A&M, it's partial in A&M, partial in C&E and also the second thing is quarter-on-quarter is not the right way to look on MapmyIndia's business, especially Auto.

So, I mean, it's not just Auto, in general. So, if you look at it, yes, volume growth has been from 1.3 million to 1.9 million. Even two-wheelers are growing as a contribution of this thing. But doesn't mean four-wheelers not, so I would like to dispel that notion that Auto revenue is….

Anirudh Agarwal: Even if we look at it on a year-on-year basis, the overall A&M revenue growth is at 2%. And obviously, the IoT revenue growth...

Rohan Verma: I explained already, if you were talking about Q4 year-on-year, I explained that whole semiconductor shortage, Q3 of FY '22, causing Q4 of FY '22 to be higher on artificially, year-on-year is 34%, which has grown. So where is the question of de-growth?

Anirudh Agarwal: Okay. I'll take it offline. But overall, industry volumes, Q4-to-Q4 have grown, that's why the question was largely coming from and ideally the attach rate should only have increased versus the last year, given what's happening on SUVs and E two-wheelers?

Rakesh Verma: Can I request you to also to please do -- whatever you want to ask, ask, there is no problem we are there to answer. But do the annual analysis rather than this quarter-by-quarter analysis. Honestly, we also try to avoid it, because it's not the way we are running the business. We are running the business to ensure that on an annual basis, what we've set ourselves for the goals, we try to achieve that. We do not set our goals for quarters.

Anirudh Agarwal: No, right. Absolutely understand that, that's okay. My next question was on the IoT bit. So, if my understanding is correct, I mean, largely, the IoT revenues will be coming from the B2B segment currently?

Rohan Verma: Some of it comes from B2C also, through the Mappls Gadgets.

Anirudh Agarwal: Okay. Understood. So, my question is largely coming from the fact that, obviously, given that B2B one year SaaS is free. So, the margins will optically look lower right now if a larger share of revenue is from B2B. But if I remember from the last discussion, we were seeing that SaaS revenue was 30%, 35% of the hardware revenue, if I remember, right? So ideally, the objective would be that as B2B hardware keeps growing, SaaS keeps kicking in and then the margins see a J-curve kind of increase, because you said IoT growth will also not be significantly higher with this company growth going ahead like it has been in the last couple of years?

Rohan Verma: You're right about the first part. The second part, I said regarding what the IoT-led growth will be, our IoT-led business will decide, and we'll do that in the overall structure of how much growth we want to have. The headroom is quite high. We can go after even larger growth. We could have even gone after larger growth in this last year of the IoT. But we consciously want to also keep some fiscal guardrails. So, it will be a question of how much we calibrate, how much growth we want to go after for the IoT. And if we feel that we can do that in a way, which we do, we are quite bullish on this. We will continue to invest behind the growth of that business. It is already reaping good results.

Anirudh Agarwal: Got it. And final question on the order inflows during this year and the new customers acquisition that you're talking about. So, is the mix of new customers that you're acquiring now materially different versus what you were doing earlier? And hence, those numbers are not reflecting in the contractual order inflows?

Rohan Verma: No, not. I mean, of course, the mix of the business will change when IoT is becoming a larger part, but when you lock in a customer for a particular contract for longer term, they can also ask for some more discount. Whereas if you allow the customer to have the flexibility, then they'll give you a higher rate. And when we know that their usage is only going to grow, so I mean, it's a little bit how we mutually agree with the customers.

For us, we want to get the customers where we can, not just sell the service that we have contracted to sell them but upsell them also. So that's why I said look at it holistically, but material change, we are adding on to our business. There's no material change per say. So, we are adding on a focus on IoT to our overall consolidated business.

Anirudh Agarwal: Understood, fair enough. Thanks.

Moderator: Thank you. The next question is from the line of Pratyush Agarwal from White Oak. Please go ahead.

Pratyush Agarwal: Good evening, Rohan and Rakesh. Sir, just one clarification on the growth of 40% number, right? So, this 40% number I'm assuming from currently what we are seeing is the organic component. We're not building in any kind of inorganic element in this number, right?

Rohan Verma: No.

Pratyush Agarwal: Sure. And also sort of to better understand Gtropy. So, when we did the acquisition FY'21 number, Gtropy was doing something like INR8 crores a year, right? And right now, the previous comment, you sort of made that IoT is roughly INR60 crores, Gtropy would be a significant part of that. Let's say, it's INR30 crores, so I mean, sort of I want to understand what has happened that we've been able to sort of almost 4x it in a short period of time, if you could just answer that?

Rohan Verma: Yes. correct. So, I mean, of course, we have moved a lot of our operations for IoT or the device, etc, all the hardware stuff to the Gtropy as a company. So, Gtropy has its own customers, which are independent of C.E. Info. Although MapmyIndia is the parent company, Gtropy has its own customers independent of us, but MapmyIndia has many customers also, who we sell IoT too, but when we get that order, we then subcontract it out to Gtropy. In the consolidation, obviously, it doesn't matter. It gets net off. So, hence, that's why we are using this word IoT-led to give you a sense of, kind of, so that's one.

And the second is really, this is why we wanted to actually, it's kind of an acquihire we did, you can think of. We paid INR13 crores. This was a solid team, which had a full organization, cross-functional, generating INR8 crores. But obviously, they didn't have cash. They didn't have that cash to either sustain or to grow. MapmyIndia has a pretty strong cash balance of INR484 crores. So, we could help them be a bit freer and go after the larger market. And it also freed up some management bandwidth or bandwidth at our end within the core company, where the operations were being taken care of by a focused team, procurement, etc, all that hardware cost engineering. And our team could be freer in terms of going and getting the business from our existing set of customers.

So, I mean it's been a very thought-out integration of Gtropy over the last 15 months. I mean, Mr. Verma has taken a personal kind of focus on enabling this integration to go well. And I mean this is just generally the method that MapmyIndia as a company, has followed for 28 years, being methodical, deliberate, etc, in trying to create a sustainable growing business. So, I mean, we are happy that within the first year itself, we could turn it in the way that we were thinking. And it's setting up a good platform for the time to come, and we are quite bullish on IoT and Gtropy.

Pratyush Agarwal: Sure. And just sort of a follow-up, right? So, in the current structure, as it stands, the Gtropy part of, let's say, whatever revenue that you are able to isolate would mostly be on the A&M part. Is that a fair understanding?

Rohan Verma: It will be a mix of A&M and C&E.

Pratyush Agarwal: Okay. And what would be the rough split, if you could help with that?

Rohan Verma: I don't have it off hand.

Rakesh Verma: We can later let you know if you get in touch with us.

Pratyush Agarwal: Sure, no worries. Thank you. Thank you so much for taking the questions.

Moderator: Thank you. The next question is from the line of Vidyadhar Ginde from Sohum Asset Managers. Please go ahead.

Vidyadhar Ginde: Yes, thank you. So, my first question is, you have indicated in the last quarter in your interview to CNBC today also that you guiding about 40% revenue growth over 40% margin. So, would you be confident enough or willing to give at least a soft guidance of a similar revenue growth and EBITDA margin for a two, three years perspective or would you rather wait for next year, the order book to build up and give that kind of guidance?

Rakesh Verma: I can share some other way. The same thing based on what the headroom is there for us, whether it's in the map led business or IoT business. And what the order booking that has already happened and the way we are operating, if somebody asked me a question, do you see the light at the end of the tunnel of reaching a INR1,000 crores company, I will say, certainly, yes. And with a 40% growth or something like that, you can easily calculate even at that level, how long it will take. That's the better answer than what you were asking.

Vidyadhar Ginde: Sure, sure. So I'll go to my next question, which, you have great revenue growth, excellent EBITDA margin, great ROC, ROE. You have also generated excellent cash flow this year. I think if at all anything is underwhelming, it appears to be the fact that, while your revenue is up 40%, EBITDA is up 37%, your net profit is up just 23% and 24%. And that's mainly because you are a high-margin business that hasn't grown as strongly, has grown far less strongly than the overall revenue growth.

So, what I really wanted to understand is when do you see that changing, whereby your profit growth is more in sync with it's not at least 16% points below your revenue growth. So, either the map led business, which is the higher margin needs to grow more strongly than it is or in the IoT business, the margin needs to ramp up? When do you see this happening?

Rohan Verma: No, both have their own independent path, and both are running faster than.

Vidyadhar Ginde: And also, when do you see this potent because I think if that happens is, let's say, this time any earning profit growth is 35%. I think we probably would not have a lot of the questions you had today. Everybody is asking in different ways, I think the main problem is that your revenue EBITDA growth is 40%, 37%, but PAT has grown by just 24%.

Because if that number is closer to your revenue growth, I think a lot of these questions will disappear in mind, even that's what I am trying to understand from you. Because you understand…

Rohan Verma: We'll take it as good input.

Vidyadhar Ginde: No, where I'm coming from is, when do you see that happening? That your profit growth is more in sync with your revenue growth.

Rakesh Verma: Okay. So currently what we are seeing, the profit growth is 24%. And the revenue growth is 40%. You are saying that the profit growth should also be 40% like revenue growth.

Vidyadhar Ginde: The delta is too big. I think that is where…

Rakesh Verma: So that's what I'm saying, it should not 40%, But something closer to that maybe 35%.

Vidyadhar Ginde: That's what I'm saying. So, either the Map, because see, what's really happened is that, Maps business, but, if I look at stand-alone revenue is up just 28%. So, you've got 40% because of the IoT, G-tropy and all. But that's hardly got any margin. So, either that margin needs to ramp up quickly in a year or two or your Map-led business needs to grow stronger, whereby at least you continue to grow at 40% revenue and profit growth at least 30%, 35%.

I think that is what we'll make investors happier and a lot of these questions, which I think people are trying to my belief is probably that, that is the root cause. That is why everybody is asking from different ways trying to get to that answer, they want a stronger earnings growth. So, the business, which is very profitable is probably not able to grow.

Rakesh Verma: The points are great. I don't know whether we are optimizing on us...

Vidyadhar Ginde: No. I'm only saying, see, what you're doing is the best thing for the company, because Maps doing as you add these businesses the margins will grow at some stage you'll get, but I am only trying to understand when do you see that happening? Do you think it will take two years, three years, five years, six years, where the revenue growth will…

Rohan Verma: These are independent, Map-led and IoT-led together, we are very powerful. It's a very unique combination. And that's what makes us different. But Map-led has its own trajectory whether to automotive companies or Mobility or Consumer Tech...

Vidyadhar Ginde: I am not going into those details, like everybody else is. Simpler question I'm trying to understand is that when do you see your revenue growth of 35%, 40%, less than 40% is fine, but if your profit and growth is going to be 30%, 35% and revenue is 35%, fine. So that's what I'm trying to understand. When will your profit growth would say at least 10%...

Rakesh Verma: Your point is well taken, and we'll see what does that mean? We'll also do some calculation to figure out, no problem. But let me ask you, is 24% growth or 30% growth, that makes a big difference, is what you are trying to tell me?

Vidyadhar Ginde: I think more 30% is a bit of a .. I'll tell you one thing. Your company is a very new company. All of us are just trying to understand the company. If somebody who's been around and is a much bigger company grows, for them 25%, 30% is fine. For you, as you may be aware also, most investors in small cap or mid-cap stocks, they want stronger stocks which do much better. The growth stocks, they need those stocks to do much better than a large-cap stock. So, it's that basically.

I think that is where because your company is an excellent company. I think the only missing piece is that's where things are there and you're probably doing your best from what I hear from you doing your best. But so if I think you were able to give people visibility that profit growth is going to be more in sync with revenue growth and revenue growth will remain high 30%, 35%, 40%, not less than that, it need to be 40%, but if that's going to take two years, three years, I think that is where I think the last missing piece will sort of fall in place in my view.

Rakesh Verma: Good, at least, you have opened my eyes, so we'll look into that. Thank you. Can we go to the next.

Moderator: Thank you. The next question is from the line of Paras Bothra from Ashika India Alpha Fund. Please go ahead.

Paras Bothra: Thank you for the opportunity. So, I have one basic question. This is with regard to the business model; wherein do you give data with regard to how much percentage of your sales is subscription-led?

Rohan Verma: I think we give the data in various splits, things that are there in the investor deck. So, I think I'll refer you to that.

Rakesh Verma: It will be a very long answer. It's not in one simple way. Since we are a platform and a products company, we are not a plain vanilla services company that somebody asks us to make data for them, and then we just hand it over like that. We are not that. And that's the uniqueness we have with everybody else in this industry.

Paras Bothra: I understand. So, I was going through the presentation, but it was not there. So, I thought of asking you that, what percentage of it is. So, I take off record some time. So, the second question is with regard to the IoT-led business. You said that in your presentation that we sold 1.9 plus lakh IoT devices, and you said that the opportunity could be 20-plus crores vehicles. So, in terms of value, what would be the opportunity size? I just wanted to understand.

Rakesh Verma: In terms of value of?

Paras Bothra: This 20-plus crores vehicles when you say what kind of...

Rakesh Verma: I said, that's the TAM, Total Addressable Market.

Rohan Verma: Value can be very, very high. That's the whole point that we are trying to make. I mean, we are at INR60 crores right now with IoT-led with 1.9 or 2 lakhs, let's say, devices. So, I mean, 100 times more, 20 lakhs, 1,000 times orders of magnitude we're not saying that we'll get all that. I mean, not all vehicles…

Rakesh Verma: We don't visualize getting all of them even in a long shot. There will be other players also.

Paras Bothra: And third question and the final question. This is with regard to the employee cost. So, on an annualized basis, if I look at, your employee cost is 24%, which has come down from 29% Y-o-Y. So, what do you think that in long term, say, from three years to five-years perspective, with the kind of service offerings and the platform-led businesses you have, do you think that this cost is going to move proportionately or come down as a percentage?

Rohan Verma: It won't move proportionately to growth in revenue for sure, we are product and platform. We are looking to always add two sets of people, higher skills, technical people and also, of course, a little bit on the sales side. Because those two things help us, A, on one side, improve products or scale products. And on the other side, help us get customers, but it will obviously not grow as fast as the revenue and that's the operating leverage in the company.

Paras Bothra: Fine, so that's all from my side. Thank you so much and all the best.

Rohan Verma: Thank you.

Moderator: Thank you. Ladies and gentlemen, that would be our last question for today. I'd now like to hand over the conference to the management for closing comments. Over to you, sir.

Rohan Verma: I just want to say thank you to those people who are there. And I hope that you've seen a good track record in the last four quarters, five quarters. We are obviously aspiring to build a very, very large company differentiated on technology and products and platforms. And with that ambition and aspiration while working steadily, we hope to achieve that. So, thank you for being on the journey with us.

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