Nucleus Software Exports Ltd.

"Quarterly earnings Conference Call for the Fourth Quarter and Year Ended on 31 March 2021"

June 4th, 2021

SPEAKERS: **Management, Nucleus Software Exports Ltd.**

Moderator: Good day ladies and gentlemen. I'm Harpreet Kapoor, the moderator of this call. Thank you for standing by and welcome to the Nucleus Software quarterly earnings conference call for the fourth quarter and year ended on 31st March 2021. For the duration of the presentation, all participants' lines will be in listen-only mode. We will open the floor for Q&A post the presentation. So I would like to now hand over the proceedings to Swati Ahuja. Over to you, Swati.

Swati Ahuja: Thanks, Harpreet. Good afternoon, everyone. This is Swati from Investor Relations team at Nucleus Software. A very warm welcome to all of you for this Nucleus Software Earning Conference Call for the fourth quarter and the year ended on March 31st, 2021. For discussion, we have here from the management team, Mr. Vishnu R. Dusad, our Managing Director; Mr. Parag Bhise, CEO; Mr. Anurag Mantri, Executive Director and CFO; Mr. Tapan Jayaswal, colleague from the finance team; Ms. Prema Rajaraman, Vice President; Ms. Debyani Sinha, Global Head HR and Mr. Ashish Khanna, Business Consultant – Financial Inclusion. As you all are aware, Nucleus Software does not provide any specific revenue earning guidance. Anything which is said during this call, which may reflect our outlook for the future or which may be construed as a forward looking statement must be reviewed in conjunction with the risks that the company faces. And audio and transcript of this call would be shortly available on the investor section of our website, www.nucleussoftware.com. So with this, we are now ready to begin with the opening comment on the performance of the company for the quarter and the year ended on March 31st, 2021 from the M.D. and post that we would be available for the Q&A session. With this, I now pass it over to Vishnu, sir. Over to you, sir.

Vishnu R. Dusad: Thanks Swati and good afternoon and a warm welcome to this investor call for Nucleus Software quarter and year ending March 2021. Tough times that all of us are going through. Glad to let you know that the financial year 2021 was not as bad financially as we had visualized it to be at the beginning of the year. However, the last couple of months have been rather tough in terms of number of COVID-19 cases. Our taskforce of more than 100 members was working around the clock to ensure that our colleagues and their family members who got infected got the best care that could have been arranged. It was a challenging year, but we were able to maintain our revenues. We are seeing a strong demand for our product offering and believe that barring any unforeseen circumstances, we should do better this year. On that note, I now hand over to Parag Bhise, our CEO.

Parag Bhise: Thank you very much, Vishnu, for the opening address. Hello, everyone. Very good afternoon to you all, and welcome to this investor call. Hope everyone is safe, including their near and dear ones. We had a significantly tough last quarter as Vishnu said and also the challenging last year, especially about the last quarter, the COVID second wave struck us badly the way it struck the rest of the country. It was very unfortunate that we lost seven dear colleagues due to disease as more than 450 Nucleites, as we call them, our associates and their family members were severely impacted. While we think we are now out of the second way, another problem that we are dealing with which hit us in this quarter, around this quarter, was a severe rate of attrition, which I believe also is the industry trend due to the rigorous and speedy movement towards the digital economy as well as high domestic demand due to increased offshoring work owing to travel restriction. Again this was not enough. Very recently, just last Sunday, we were subject to a malware attack, about which most of you would now be aware of. The first two challenges mentioned do have a reflection on our quarterly results. Needless to mention that we are fighting back on all these fronts and hope to be seen back on our feet and running faster than before. Thank you very much.

Swati Ahuja: Tapan, sir, please take this lead for financial highlights.

Tapan Jayaswal: Thank you, Parag. Yeah, sure. Thank you. Thank you, Swati. Thank you, Parag sir. And key highlights from financials are Revenue. Our consolidated revenue for the quarter is at INR 124.2 crores against INR 124 crore quarter on quarter and INR 138.2 crores year on year. For the year, it is INR 513.5 crore against INR 520.8 crore for the previous year. Overall revenue in foreign currency including Indian rupee revenue is USD 16.9 million for the quarter against USD 16.8 million quarter on quarter and USD 19.4 million year on year. For the year, it is USD 69.6 million against USD 73.8 million for the previous year. Product revenue for the quarter is at INR 105 crore against 103.2 crore quarter on quarter and INR 111.9 crore year on year. For the year, it is 430.2 crores against 414.3 crores for the previous year. Revenue from project and services for the quarter is at INR 19.2 crores against INR 20.8 crore quarter on quarter and INR 26.3 crore year on year. For the year, it is INR 83.4 crore against INR 106.5 crore for the previous year. As for expenses, cost of delivery including cost of product development for the quarter is 63.6% of revenue against 67% of revenue quarter on quarter and 60.9% of revenue year on year. In absolute terms, this is INR 79 crore against 83.1 crore quarter on quarter and INR 84.2 crore year on year. For the year, it is 332.7 crores against 343.8 crore for the previous year. As for marketing and sales expense for the quarter, it is 3.7% of revenue against 3.3% of revenue quarter on quarter and 5.2% year on year. In absolute terms, this is INR 4.6 crores against INR 4.0 crores quarter on quarter and INR 7.2 crore year on year. For the year, they are at 15.5 crores against 34.9 crores for the previous year. As for general and administration expenses for the quarter, it is 7.3% of revenue against 8.7% of revenue quarter on quarter and 11.3% year on year. In absolute terms, this is INR 9.1 crore against 10.8 crore quarter on quarter and INR 15.6 crore year on year. For the year, they are at INR 37.1 crore against 49.1 crore for the previous year. As for EBITDA, it is INR 31.5 crore against 26.1 crore quarter on quarter and INR 31.2 crore year on year. For the year, EBITDA stands at INR 128.1 crore against INR 93.1 crore in the previous year. Other income from investment and deposit is at INR 6.7 crore against 9.2 crore quarter on quarter and INR 8.7 crore year on year. Total other income for the quarter is at INR 7.2 crore against INR 10.3 crore quarter on quarter and INR 10.3 crore year on year. For the year, other income from investment and deposit is at INR 34.3 crore against 31.8 crore for the previous year. Total other income for the year is at INR 39.6 crore against INR 37.2 crore for the previous year. Total taxes are at INR 8.2 crore against INR 8.1 crore quarter on quarter and INR 10 crore year on year. For the year, taxes are at 35.9 crore against 27.8 crore in the previous year. Net profit is at INR 27.35 crore for the quarter against INR 24.8 crore quarter on quarter and INR 28.1 crore year on year. For the year, it is INR 117.9 crores against INR 89 crore in the previous year. Other comprehensive income at negative INR 1.5 crore for the quarter against positive INR 1.5 crore quarter on quarter and negative INR 6.4 crore year on year. For the year, it is INR 1.9 crore against negative INR 7.5 crore in the previous year. Total comprehensive income which includes net profit and other comprehensive income is at INR 25.9 crore for the quarter against INR 26.3 crore quarter on quarter and INR 21.7 crore year on year. For the year, it is at INR 119.9 crore against INR 81.5 crore in the previous year. As for EPS for the quarter, it is at INR 9.42 as against INR 8.55 in the previous quarter and INR 9.69 in March 20 quarters. For the year, it is INR 40.62 against 30.64 in the previous year. In terms of foreign currency hedges on March 31st, 2021, we had USD 4.75 million of forward contracts at an average rate of 75.06. There is a mark-to-market gain of INR 36.80 lakhs which has been taken to hedging reserve in the balance sheet. As for revenue contribution from the top five client in the quarter is 27% as against 29% in the previous quarter. The order book position is INR 477.9 crore including INR 450.5 crore of the product business and INR 27.4 crore of project and services business. In December 31st, 2020 the order book position was INR 460.6 crores including INR 428.3 crores of product business and INR 32.3 crores of project and services business. As for cash and cash equivalent balances as on 31st March 2021 standard, INR 692 crores against INR 673.3 crores quarter on quarter. This includes balance in current account of INR 32.3 crores, various schemes of mutual funds INR 445.9 crore, INR 43.8 crore in fixed maturity plans, fixed deposits of INR 30.5 crores, investment in tax-free bonds of INR 111.8 crore, INR 27.7 crore in preference shares. With regards to receivables, we are at INR 85.7 crores against INR 90.2 crores previous year. During the quarter, there is a gross addition of fixed assets of INR 0.96 crores consisting primarily of INR 0.22 crores on plant and machinery, INR 0.15 crore on software, INR 0.41 crore on computer and INR 0.18 crore on furniture and fixtures. That's from the financial highlight perspective. Now I'll hand it over to Swati.

Swati Ahuja: Thank you, sir. With this, we are now open for the Q&A session. I will now hand it over to Harpreet. Over to you, Harpreet.

Moderator: Thank you so much, Swati. With this, we will open the floor for Q&A interactive session. I would request to all the investors, please press '0' and then '1' to unmute your line. I'll repeat, to ask a question, you need to press '0' and then '1'. First question of the day we have from Deepan Shankar from Trustline TMS. Your line is unmuted. Please go ahead.

Deepan Shankar: Yeah. Thanks a lot for the opportunity and good evening everyone. Firstly wanted to understand is the outlook for order book improving in Indian NBFC segment and how is the order book outlook for Southeast Asia, Middle East and Australia?

Vishnu R. Dusad: I'm glad to let you know that This is Vishnu. glad to let you know that outlook for orders is, as I mentioned in my opening remarks, is looking good in all the geographies that you talked about. India, Southeast Asia, Middle East and Australia.

Deepan Shankar: Okay. Okay. And this other expenses has been more than 50% lower as compared to last year. So how much of this kind of cost savings is sustainable once normalcy returning?

Vishnu R. Dusad: Actually what is likely to happen is depending upon how the offices, you know, work from home versus working office, that combination as well as the travel required for implementations, travel required for business acquisitions, hence, you know, event participation, etc., etc., it would vary from this level to.it may not go back to the earlier levels immediately. But, yes, it'll all depend on how soon things open up and so on and so forth. So we are not able to predict it with any accuracy I must say. We have had our, you know , we've extended our office opening or working from office as this whole time in last one year. So, it is very difficult to talk about.

Deepan Shankar: Okay. So, what will be the impact on this malware attack? So, is there any data leakage of customer data and things like that? So, how was the customer reaction on that? So any financial impact because of this?

Vishnu R. Dusad: Anurag, would you like to take that. I can talk about financial impact. As of now, we are still assessing. We do not visualize at this moment. While we are still assessing, we do not visualize any, you know, financial impact. But yes, customers are justifiably so are our concern, and I would request Anurag to just make a comment on that front.

Anurag Mantri: Sure. So, we basically do not keep any customer data on any of our platforms and servers. None of the customer information is kept at our end, and that's why we are extremely confident that since the data doesn't reside at our end, there is no question about customer data being impacted. And we are also talking about -- we are in the process of assessing the financial impact. As per the investigations going on, we do not anticipate anything, any impact so far.

Deepan Shankar: Okay. Okay. And lastly, we have been talking about higher attrition for Nucleus. So, are we expecting some employee costs to increase in the future to arrest this attrition?

Vishnu R. Dusad: Yes, certainly. You know, board in yesterday board meeting, the board had a close look at this particular asset of the functioning and yeah, indication is that the gross cost will increase.

Deepan Shankar: Okay. Thank you, and all the best.

Vishnu R. Dusad: Thank you.

Moderator: Please go ahead. I repeat, Simranjeet Singh Bhatia from SMC Global. Your line is unmuted.

Simranjeet Singh Bhatia: Yeah, thank you. Thank you. Yeah. My question is that in the Q4, your revenue from operations is, you know, very flattish when I, you know, seeing from the Q3 point of view and even in the quarter three of this financial year, you have stated that, you know, during your conference call that there is some delay from the customer side also. So, I want to know your view going forward, how you are seeing this maybe in terms of the revenue generation in the next couple of quarters on the topline front?

Vishnu R. Dusad: I think we are, you know, I would say even keel about it, in the sense that, while our discussions with most of our customers are on, some of them are signing up, but various events that are unfolding as we talked about intense number of COVID cases in the last two months, factors like this, they are affecting us, they are affecting the entire economy. So, it is difficult to talk about how the beginning would pan out in the next couple of quarters. We are optimistic, this is all I can say.

Simranjeet Singh Bhatia: Okay, and my last question is that, you have just stated that, you know, employee cost will increase in the next financial year.

Vishnu R. Dusad: Yes.

Simranjeet Singh Bhatia: So, can you give some guidance what is the at least minimum percentage amount, if we are seeing the employee cost as compared to the previous year from the FY20 it is going to increase?

Vishnu R. Dusad: Yeah, as a policy we do not give any guidance.

Simranjeet Singh Bhatia: Okay.

Vishnu R. Dusad: So, I won't be able to talk about any specific number.

Simranjeet Singh Bhatia: Sure, done. Done. Thank you. Thank you. Thank you. All the best.

Vishnu R. Dusad: Thank you.

Moderator: Next we have Alok from M3 Investments. Your line is unmuted. Please go ahead.

Anuj Sharma: Yeah, thank you. This is Anuj Sharma. Vishnuji, I had few questions on our business. One is, you know, earlier during the year, we were cautious on the NBFC segment and rightly so. What is our outlook now, in the NBFC segment and opportunities in the same?

Vishnu R. Dusad: I think the NBFC segment is going through real, you know, difficult period right now because of the because of the economy, because of the moratoriums and so on. And at the same time, there is enough of FinTech activity also which is wanting to leverage this opportunity. So, yes, we are talking to number of NBFCs and FinTechs, some of them have NBFC licenses also and they are keen to start using our lending platform. And yeah, I think this is going through some of the conventional NBFCs when they decide themselves, then they are able to leverage the market. If they do not digitize, then they have to face intense competition. So, that is how we are looking at NBFC.

Anuj Sharma: Sure, sure. And Vishnuji my second question is in tough times, we see strong companies actually performing better so, you know, we have strong client credentials. Did we manage to increase our market share, and what is our market share in Indian lending space?

Vishnu R. Dusad: We attempt to, you know, look at the market share with some precision but we like to believe that as of now, we are somewhere around 70% of the India's retail loans, they are either originated or serviced or collected or all the three activities done on our platform. So, that's the kind of market share we think we have.

Anuj Sharma: Okay, and did we see some improvement in our market share in the last year, sir?

Vishnu R. Dusad: No, no. I have to admit that we have not done that activity with precision and we are in the process of doing that.

Anuj Sharma: Sure. And sir, my last question is, you know, when we look across product industry, we have seen some players transitioning from a license model to transaction based and it has benefited them. So, what is our reading of this transition and where are we particularly in this transition from a license conventional model to more like a transaction based model? Thank you so much.

Vishnu R. Dusad: Thanks for raising this important question. You know, the entire cloud business that we have launched four years back is essentially transaction based pricing. And yeah, as far as we are concerned, we are open to either of the models and we would like to offer to all our customers both ways of pricing, transaction base as well as the conventional on license base pricing and we are happy to let you know that even large customers are sometimes picking up the transaction based pricing model.

Anuj Sharma: All right, sir. Thank you so much.

Vishnu R. Dusad: Thank you. Thank you for your interest.

Moderator: Next is Rahul Jain from Daulat Capital. Your line is unmuted. Please go ahead.

Rahul Jain: Yeah, hi, thanks for the opportunity. My first question is about this order book. Why we are not seeing this order book traction not flowing into revenues? Is it more because the milestone relative to revenues are very far versus we booking the orders? Is that the reason or is it deal ramp up issue?

Vishnu R. Dusad: I would like to say that it is more to do with orders being booked, you know, for three years, five years period, especially cloud kind of orders and some other kind of orders, which take time to get converted into revenue. That is the only reason.

Rahul Jain: Okay. And this Bank of Sydney deal that we have announced, is this a significant deal that we have made this as a press release? And is it included in the current order book?

Vishnu R. Dusad: Yeah. It has been included in the current order book. And, okay, sorry, I would like to validate that, because we've announced it recently. I'm not too sure whether it came before 31st March or after 31st March.

Rahul Jain: It was announced on 17th May?

Vishnu R. Dusad: Yeah, that I'm aware. But the exact date of order I don't remember right now. Okay.

Rahul Jain: Sure.

Vishnu R. Dusad: So, now, as far as, you know, deal size is concerned, we really don't talk about our deal sizes. So I won't be able to comment on that.

Rahul Jain: Yeah, I understand. The only reason is that this was a rare occasion when we made a press release. So I thought this must be of certain significance but coming back to your broader comment where you said, you look, you know, you look this year to be a stronger year across market. So what is driving that kind of a confidence? Is it the client conversation? Is it the culmination of order book into revenue or any other factor you would like to share?

Vishnu R. Dusad: Okay. I would say both these factors, prospective client conversations. Those give us that feeling that yes, this year will be better than the previous year, as well as the conversion of some of our orders into revenue. Combination of both.

Rahul Jain: Okay, and on the transaction side, as it's been a couple of years, we are selling products on transaction base and many of them are also live. So are we seeing that we are able to see uptick in our SaaS revenue on a client to client basis, because more and more books must be adding to this to our base from the same customers? So are we seeing like for like or customer specific growth also, because of the transactional nature?

Vishnu R. Dusad: Yeah, that's a very interesting question, Rahul. So, the way it is happening is we have a situation where some -- let's say we are signed up with an NBFC and for whatever reasons, they have not be able to launch the business because of COVID or most of them, because of COVID. So, those situations, the revenue either goes flat or sometimes in few cases, they like to suspend that relationship. So that is one end. The other end of the spectrum is yes, you know, because the number of loans, etc., are increasing, number of transactions with the same customers are increasing, so the revenues are going up.

Rahul Jain: Okay, so it's kind of a mixed bag. And the attrition element, which we raised in our opening remarks. So where are we on that? Do you think we have a risk of lower implementation or any other element of the business getting affected just because we may find it difficult on the supply side? Or is it too early to impact the revenue but it's a kind of a warning moment for us?

Vishnu R. Dusad: I would like to say, you know, thank all my colleagues, you know, because of them for the phenomenal amount of effort that they're putting in to overcome the issue of, you know, issues that have come because of the attrition. So despite the attrition, they are making sure that the client commitments are not affected at all, despite the both attrition as well as COVID that they were going through. So despite that, you know, client commitment has not been allowed to get affected, except for the fact that, you know, on 31st May, we were supposed to come out with the product release, our lending products release, that is something that we were left with no choice but to reschedule to either 30th June or slightly beyond, we will come to know about it in this month. That apart, we have, you know, tried our level best to and I have to once again thank my colleagues for ensuring that despite that, despite COVID, our client commitments are not allowed to get effected.

Rahul Jain: Okay, appreciated. Just last suggestion or request from my side is that when we give our initial financial data, which is shared by Tapan, instead of just reading that data, if we could just add one remark for anything, like why a particular cost is higher or lower or anything, anything which is worth mentioning in those line item, I think that way, it will become far more helpful for us to note down. Thank you.

Vishnu R. Dusad: That's a very meaningful suggestion and we'll certainly like to take it up next time onwards. And thank you very much for suggestion and your continued interest.

Rahul Jain: Thank you, sir.

Vishnu R. Dusad: Thank you.

Moderator: Next is Himanshu Upadhyay from PGIM Mutual Fund. Your line is unmuted. Please go ahead.

Himanshu Upadhyay: Yeah, hi. Good afternoon. I have few questions. The first one was, in the last quarterly Con Call, you mentioned that we are doing a lot of work on the sales improvement and sales related stuff. Okay. And about our own resources Can you elaborate on where we are going

Vishnu R. Dusad: Sorry, sorry. Can you give that word?

Himanshu Upadhyay: You were doing a lot of work on the sales. Hello.

Vishnu R. Dusad: Yeah, sales you said. Right?

Himanshu Upadhyay: Hello. Yeah, sales effort and yeah. So, and you said that this has been going on for last few quarters. Can you elaborate on where we were, and where we want to reach in terms of sales effort and sales what we want to achieve, and where we are currently so that it's just that I am a new investor, or we are a new, so just can you elaborate on that it would be helpful to understand what you're doing and where we want to reach?

Vishnu R. Dusad: Right. So thanks for raising this very meaningful question. You know, our, effort when it comes to sales is ensuring that our prospective customers understand the value of the precious intellectual property that we have created. And that requires that, you know, our sales team understands the product extremely well. Both our product lines are extremely rich, and likewise, our services offerings are extremely rich. And unless our prospective customers understand the value, they would not be able to derive that value from that. And that's where, you know, we struggled to make - I have to say that, use that word unfortunately, we struggled to make our prospective customers understand how powerful our offerings are. And I can say that while we have been at it, we have reached a particular level, but I must admit that we are still not satisfied with our own ways of being able to convey the value that we continue to create. While our existing customers are enjoying that value, we get tremendous appreciation of that value. We still have some difficulty in communicating that value to our prospective customers. Does that answer your question?

Himanshu Upadhyay: Yeah, that is fine. So I at least understand what the problem you are facing. Now, the next would be how are you trying to resolve this thing and how much distance we have covered? And so how do you make it more effective? So, that could be the other thing.

Vishnu R. Dusad: Yeah. So, so, distance that how we are trying to resolve this is through the training, the product training that we conduct for our sales teams. Hands on, you know, experience that our sales team goes through and based on that, then we are able to convey that value. I would say we have covered half the distance and we have another half to cover on that front.

Himanshu Upadhyay: One last question on this side. Have we also brought in more people from outside on sales, because this is just a feedback of your customers when we need them, okay, or let's say NBFC and even in their presentations and in their annual report, they would tell very highly about you. Okay. So at least customers have a very high regard for your product. So on hiring also, are you trying to think of getting more practical people into the sales or people who have used your product and who have been or have you also made some changes on the sales people side also? Or is it the same sales people you are trying to get more effectiveness out of the thing? It's the last question.

Vishnu R. Dusad: It's a very good question once again. Yeah, yeah, that's a very good question, Himanshu. I think, what we have tried over the last few quarters is some of our colleagues who have been doing implementation they have started moving into sales and the experience has been, I would say, pretty good so far. So that's what we will continue to explore apart from conventional look out for sales people from outside.

Himanshu Upadhyay: Okay, yeah. Thanks. One more query I can ask. So, this question was we have been slow and steady grower over the years and a lot of people who join IT industry are young professionals, okay. If the growth for the company is lower, the attrition would be always higher only because new positions will not be created at that pace okay. But the salary rise cannot be also at a very high pace. So, does it worry you that if we are not able to grow faster on attrition and employee side we will keep on facing challenges, the last one? Thank you from my side.

Vishnu R. Dusad: Thank you again for this insightful question. I think the way we are looking at this is you know, the people who join us, for them, the financial part is not the only thing for which they join. They do join us for the learning environment and also the impact that their work creates on the society. So, with these two factors that come in, we are able to attract the right talent. The current phase of attrition, which is I would say pretty high. That is I would say is one off and we are making long-term changes to ensure that our attrition in the future remains low.

Himanshu Upadhyay: Okay, okay. Thank you for my side.

Vishnu R. Dusad: Thank you. Thank you. Thank you, Himanshu.

Moderator: Before taking next question, I'll announce again, if you wish to ask a question, you need to press '0' and then '1'. Next we have Samarth Singh rom TPF Capital. Your line is unmuted. Please go ahead.

Samarth Singh: Good afternoon, sir. How are you?

Vishnu R. Dusad: Good afternoon. How are you?

Samarth Singh: My question was regarding this Australia, Bank of Sydney win for us. Is this our second, sort of FinnOne Neo order win in Australia, is that right?

Vishnu R. Dusad: That is absolutely right.

Samarth Singh: And which is the first one? Which company was that?

Vishnu R. Dusad: I'm not too sure, you know, we have as of now the permission to talk about the name, but implementation is on. Parag, would you remember if we have the permission to make it public?

Parag Bhise: No, sir. I'm not very sure whether we have the permission.

Vishnu R. Dusad: Yeah, so we would rather, you know, hold ourselves back on that. The first facility is of course Bank of Queensland in Brisbane.

Samarth Singh: Okay, so we won Bank of Queensland in I think 2016 if I'm not mistaken.

Vishnu R. Dusad: Yeah, 2015 it was. Thanks for keeping close track. We won the order slightly earlier and then we started implementation in 15. Yeah, please go ahead. You were saying something.

Samarth Singh: And then I think we had a FinnAxia order win as well, that was in I think last year in Australia.

Vishnu R. Dusad: We do not have FinnAxia customer yet in Australia. No.

Samarth Singh: Okay. Okay. So I understand that the Australian market is, you know, sort of a mature market with the banks means having sophisticated systems and the conversion time, you know, is longer than other markets. But, you know, we've been in this market for some time now and I think, you know, last win was five years ago as far as FinnOne Neo is concerned. So, is that pace picking up now? And, you know, in the other part is, it gets into the previous question, which is implemented, you know, how are we more effective with our sales? And if we implemented something in 2015-16, and I was listening to one of your interviews, and you were talking about how our product significantly decreases loan origination times for banks, so, shouldn't we automatically be getting more inquiries and more conversions at a quicker pace in this market?

Vishnu R. Dusad: No, I quite agree with you. I think the, you know, 16 to 19, that year, those two years, three years have gone in getting the market to understand that this is a company which is worthy of their focus, or their attention. And post that, I think we are now looking at a steady stream of order, some large, some small. That's how we look at Australian market.

Samarth Singh: So we won't have to wait for another four or five years for a win from Australia?

Vishnu R. Dusad: No, Certainly not. Certainly not.

Samarth Singh: And on the origination side, what other software are banks in Australia using like?

Vishnu R. Dusad: Sorry, on which side?

Samarth Singh: On the origination.

Vishnu R. Dusad: Okay, there are a couple of local tools that are available. So, yeah, I think once they start experiencing the power, see if they experience the power at Bank of Queensland, and that's how we got the reference at that our second customer and at third customer experience the power based on the first one itself, we were able to win that order. So I think we are looking at a steady stream.

Samarth Singh: Okay. And in previous calls, you know, we mentioned that, you know, we're going to use this cash balance for entering new geographies. So have you zero down on which is the next geography you want to focus on.

Vishnu R. Dusad: Yeah, yeah. We are in that process. We still not taken the timeline decisions, we have identified geographies. We are not taking the timeline decisions as to when we will, you know, in which year we'll go to the let's say US and which year we'll go to Canada, whether this, you know, this financial year or next financial year because of these uncertainties is most I can say.

Samarth Singh: Okay, that's all from my side. Thank you.

Vishnu R. Dusad: Thank you. Thank you so much.

Moderator: I'll repeat participants, if you still have any questions, you may please press '0' and then '1'. Next, we have Vaibhav from HNI Investment. Your line is unmuted. Please go ahead.

Vaibhav: Hi. Thanks for providing the opportunity. So my question is again to Vishnu. So, Vishnu, see the last year was the year of pandemic and probably, you know, we are not going to see the pandemic, at least in first, nobody can predict it, but this is worst of the years in probably last century. And we did not lost cash in that year, right. Even in global financial crisis, we did not lose any cash during that year. So I wanted to ask you, when was the last year when we on a yearly basis, we lost cash?

Vishnu R. Dusad: Why would you like to invest in a company which lost cash on yearly basis?

Vaibhav: No, I don't want to invest in those companies. But I want to know that, I want to know that what are you going to do with the cash that is sitting in for what you're protecting that cash?

Vishnu R. Dusad: Right, so board is very much abreast of this question. We keep bringing it to the board's notice every quarter. And taking some meaningful decisions.

Vaibhav: Yeah, I actually hope so. I hope you're not, you're not imagining a Nuclear World War. So I think, that the business is doing really fine and I really commend what the company has achieved over the years. But the capital allocation has to be fixed and I think that is a big, big drag.

Vishnu R. Dusad: No, couldn't agree more and thank you very much for your kind words. we'll live up to your expectations.

Vaibhav: Yeah, that's it from my side. Thank you.

Vishnu R. Dusad: Thank you. Thank you so much.

Moderator: Thank you so much. At this time, there are no further questions from the participants. So I would like to know hand over the floor back to Ms. Swati Ahuja for final remarks. Over to you, Swati.

Swati Ahuja: Thank you, Harpreet. So we would like to thank all the investor for joining us today for this earnings conference call. I would now pass it over to Vishnu sir for his closing comment. Over to you, sir.

Vishnu R. Dusad: Thank you very much to all of you for your keen interest and keeping close tabs of your company. Please do maintain the same level of interest and we would try to live up to your expectations. In the meanwhile, we would like to reiterate our commitment to build a company that lives on its values. Thank you so much.

Moderator: Thank you so much all the speakers for addressing this session. And thank you participants for your participation. That does conclude our quarterly earnings conference call for the fourth quarter and year ended on 31st March 2021. Thank you for participating. You may all disconnect now. Thank you and have a pleasant day.

Vishnu R. Dusad: Thank you. Thank you.