

SecureKloud Technologies Limited
Earnings Conference Call
June 30, 2021

Moderator: Ladies and gentlemen, Good Day and welcome to the Q4 FY21 Conference Call of SecureKloud Technologies 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 “*” then “0” on your touchtone phone. I would now like to hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, Mr. Sonpal.

Anuj Sonpal: Thank you Jonas. Good day everyone and a warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors. On behalf of SecureKloud Technologies Limited, I would like to thank you all for participating in the company’s earnings conference call for the fourth quarter and financial year ended 2021.

Before we begin, I would like to mention a short cautionary statement. Some of the statements made in today’s earnings conference call maybe forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management’s belief as well as assumptions made by and information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today’s earnings conference call is purely to educate and bring awareness about the company’s fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today’s earnings call. We have with us Mr. Suresh Venkatachari – Chief Executive Officer, Mr. Ravi Chandran Whole Time Director, Mr. Thyagarajan – Chief Financial Officer. Now without any further delay I request Mr. Suresh Venkatachari to give his opening remarks. Thank you and over to you, sir.

Suresh Venkatachari: Thank you Anuj. Good afternoon everyone. Thank you for joining us for the discussion on Q4 and FY 21 performance. I trust you and your family are well and safe. FY21 has been a year of transformation for us. As you are aware early in the year, we undertook certain strategic initiatives like building long-term recurring revenues, developing our platforms, investments in R&D, sales and marketing, consistent and profitable growth etc. We met most of the objectives during the year and we will continue to focus on these in the coming year. Q4 was a weak quarter due to the impact of the second wave of pandemic in US.

However, I am happy to say that even though the operations were impacted we have taken good care of our employees with transition to work from home culture and have carried out all necessary steps for the smooth functioning. I am extremely proud of our employees and their enormous commitment demonstrated during the past year. We witnessed delays in closing large deals which impacted our new customer revenue in Q4; subsequently we have closed some of the deals in the Q1 and aim to close more deals in Q2. We continue to get a large share of the wallet in our existing large accounts, and I am grateful for the trust, our clients have on SecureKloud.

Our growth in these accounts have been broad based with the several of our customers showing year-on-year revenue growth stemming from our market leading capabilities in cloud, security and managed services. This is what differentiates us from our competition and makes us the most trusted partner in our customers' cloud transformation journey. As a result of the pandemic imposing travel restrictions, we will continue to see a strong demand from our existing clients to offshore more work this year and in coming years. Thus, it is critical to have a geographically a diverse team to be able to perform work more quickly and cost effectively. As you are aware we are focused on advancing innovative industry transformation solution in the areas of cloud services, data science and professional and managed services and especially for our health care and life science of industry.

Our approach leverages our proprietary technology platform, extensive industry knowledge and healthcare domain expertise to provide solution and services that reinforce healthcare progress. Through our platform we support healthcare delivery organization, healthcare insurance companies, pharmaceutical and life sciences companies, and medical device manufacturer. In the effort to improve the data managed funds developed by analytical insights into our operation and deliver measurable, clinical, and financial and operational improvements. We also cater to other industries like in BFSI automotive and media and entertainment and IT sector. We continue to leverage our platform for those sectors.

We believe our principal competitive factor in our market is our technology capability, domain expertise and on demand support for customers to realize the benefit of modern cloud data and security architecture.

We are happy to announce that Healthcare Triangle Inc. subsidiary of your company has filed a confidential S1 for listing in the NASDAQ stock exchange. We also raised USD 4.25 million through convertible note offering which will subsequently convert into the equity before the listing.

The estimated timeframe for a typical listing process would be anywhere between 90 to 150 days. Further we cannot disclose anything specific to Healthcare Triangle IPO as we bound by SEC regulations. We will make necessary announcements at the appropriate time. With that let me thank you and pass it on to Ravi for business update.

Ravi Chandran:

Thank you Suresh and good afternoon to all the participants and welcome to the Q4 earnings call. As part of our strategy, we have made significant investment in sales and marketing both in the US and in India. Ideally all the front-end customer facing Sales roles should be located in the US and the backend work in terms of supporting digital marketing, presale and inside sale support will be run out of India. We have 51 employees in sales and marketing in US and India; we added 12 people in the last quarter alone reflecting our commitment in terms of wanting to get new customers which is one of the priority strategies that has been listed and towards that I am happy to say that we signed up for new customers and being in the industry I am sure you all know that the biggest challenge anybody will face in the market is to acquire new customers and once we acquire the new customers of course obviously the revenue will keep going up over years.

I was talking about the acquisition of new customers and how the platform and the platform-based services is helping us to get new logos as well as making those new logos part of a recurring revenue base. Four new customers were acquired last quarter and one of them was for our flagship readable.ai product.

And our other flagship products like CloudEz and DataEz are now available on AWS marketplace that basically enhances our marketing reach. Customers have access to download and run so that is going to give us additional opportunities coming our way.

All our existing customers have signed an annual renewal contract without even one of them holding back. That shows commitment and demonstration of trust in us so which is a very good thing for us and also some of them have decided that they will work with us a little bit longer and we have some of them signing up the multiyear contracts adding to our recurring revenue base as Thyagarajan will explain will be going up.

I also see a strong pipeline of opportunities in the coming quarters and Thyagarajan will talk about it in terms of the revenue numbers and our partnership with current partners AWS, Google and Azure is getting to be more and more deep and there are opportunities that are being identified and there are seminars and webinars that are being organized jointly to showcase customers studies. In all I think we have done very well given the objective that we set ourselves in the beginning of the year and with that I will hand over to Thyagarajan.

Thyagarajan R:

Thank you Ravi. Good afternoon everyone. Thank you for joining the Q4 Earnings Call. First of all, I am happy to inform that we have completed the statutory audit for FY21 without any qualifications; this is significant and this continued improvement re-iterates our commitment to strengthening controls and governance. We began FY21 with focus on operation agility, consistent and profitable growth, cash management. I am happy to say that we have maintained razor sharp focus on each one of these areas throughout the year. For financial year FY21 we reported revenue of Rs 350 crores which was 8% lower than FY20. The revenue

was lower mainly due to slowdown in the healthcare business. Our overall healthcare revenues for FYF21 were lower by close to Rs 40 crores.

We continue to focus on building long-term recurring revenues. Our recurring revenues for the year came in close to 35%. Gross margins have improved considerably highlighting our focus on quality revenue. Gross margins for the year were at 34.2% compared to 20% for FY20. We reported operating EBITDA of Rs 33 crores 9.4% of revenue. The improvement in operating margins were mainly due to a combination of factors comprising of strategic cost levers, cost deferrals and some cost benefits.

Some of these costs are expected to normalize in H2 FY22 especially travel when things get back on track and some of the marketing spends, we will start incurring. However, we will continue to manage the cost levers, onsite - offshore delivery mix, pyramid and automation etc. We are confident that all the steps that we put in place in the current year with additional focus on growing platform and recurring revenues will improve our operating margins in the coming quarters.

During the financial year the shareholder approved the allotment of 45 lakh warrants to Mr. Suresh Venkatachari Promoter and CEO at Rs. 100. I would like to confirm that 25% of the total value of the warrants Rs 11.25 crores has been received by the company. In addition, we raised \$4.25 million totaling to about Rs 31 crores as convertible instruments in Healthcare Triangle Inc, in Q4 FY21. As far as the cash position is concerned on a consolidated basis, we ended the year with cash balance of Rs 35 crores, we continue to focus on reducing the overall debt position of the company. The net debt position of the company has come down from Rs 110 to 105 crores in FY21. This includes the Convertible note of Rs 31 crores which will eventually get converted into equity.

In terms of our order backlog, we have closed the year with 300 crores of order backlog it continues to be very strong and we expect the momentum to continue in healthcare. life science in the coming year. We have built a pipeline for revenue growth and the guidance on top line is going to be in the range of 12% to 14% for FY22. Lastly, I would like to take this opportunity to thank all the investors and shareholders for their continued trust in the company during these unforeseen times. With that, we would like to open the call to the participants for Q&A. Over to you Anuj.

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Amit Agarwal. Please go ahead.

Amit Agarwal: What is the projection for the headcount at the end of this financial year?

Thyagarajan R: We entered FY21 at 552 we added 60 headcounts in the current year. We expect the headcount to be in the range of 625 to 650 next year.

Amit Agarwal: What is the breakup of contractors in full time workers?

Thyagarajan R: Majority of them will be full time employees and most of the hiring will happen in India. As Suresh articulated we added new hires in the sales and marketing in Q4FY 21 both in US and India and you can see it from the investor presentation we have added nearly 12 employees. So, majority of the investment is already done as of now. Most of the additions will happen in the delivery side with the focus on adding more India based headcount.

Ravi Chandran: Just to add to what Thyagarajan said in Q4 we added about 30 people from delivery perspective in India and we have seen a similar growth consistently over the last three quarters. We believe that the number that Thyagarajan had said in terms of reaching 625 to 650 is something we are confident of achieving and this might even go up if some other backlog that we are waiting on.

Amit Agarwal: The billing to be done in Indian operations or Healthcare Triangle?

Thyagarajan R: The customer contracts are with Healthcare Triangle. The employees that work on HTI projects in India will be billed at cost plus margins at transfer price from an India perspective, but the client contracts are all with Healthcare Triangle in US.

Amit Agarwal: Does any profit come to the parent company I mean to say that?

Suresh Venkatachari: See the plan is for FY22 is actually to add business directly in SecureKloud India also. We even recently finalized a managed service contract from the US directly in India. We continue to add business in India also.

Amit Agarwal: And my second question is regarding readable.ai what turnover can we expect from one client per annum?

Suresh Venkatachari: For readable.ai we have currently approximately around 6 customers all in the pipeline right now with the hospitals. The first customer went live very recently. So, with this I think we will be able to capture the momentum.

Amit Agarwal: So, how much turnover can we expect from one customer on average basis?

Suresh Venkatachari: It is basically transaction-based business. So, basically what happens is readable.ai is a document workflow management system. Patient record comes in faxes even today. So, what we did we build capability to automate these records using Google analytics. So, it will reduce

the manpower and improve efficiency. Depending on the volume of each customer, we estimate that a small hospital could approximately generate business of \$300,000 to \$500,000 per year whereas a medium sized or a large customer can go to a million depending on of the volume of data. We are in a very early stage we would probably be able to give a better guidance in the next two quarters as we build on more use cases.

Ravi Chandran: Adding to what Suresh just said unlike the other traditional document management workflow system, this is completely built on AI and machine language. So, the more you use the better the accuracy gets. As we keep going up in terms of the usage the accuracy may even touch 95,97, 98, 99. So, it is almost imperative that some of these things that we are talking about will benefit significantly. We are also talking in terms of whether we can do this in vernacular so that whether such thing can be deployed even in India.

Amit Agarwal: Are we the only product in the market or there are similar products in the market like we are competing with somebody?

Suresh Venkatachari: Let me explain to you; there are many document management companies approaching the market with their offerings. This is an add on or plugin. It is a unique product because everybody is doing manual processing, somebody scan OCR reading and everything. What we have done completely is an AI/ML based model. So, we are currently seeing accuracy of around between 90% to 95%. If we can reach accuracy levels of 97% to 98% it will be a huge leg up and can eliminate repetitive jobs and bring efficiency. It will reduce significant cost of the hospital, so a lot of hospitals are very excited about this product. So, everybody is waiting for the success, and we just went live. So, when we see the efficiency of the things going higher it will be a significant improvement.

Amit Agarwal: What is the market size are you targeting?

Suresh Venkatachari: I will tell you the market size for us specifically this product we have. So, this market size is today it is about a \$555 million medical document management by 2025 our current market size is about \$292 million.

Amit Agarwal: Are DataEz and Cloud and are these complementing each other, or they are totally different products?

Suresh Venkatachari: CloudEz is an infrastructure product; DataEz sits on top of that, and it is a data pipeline management product on the public cloud. Readable.ai also uses the same cloud and security framework, but it is built with a lot of analytics. Ravi mentioned earlier that we are now starting to offer these on SaaS model and moving away from the onetime solutions delivery model. Currently CloudEz is available on AWS marketplace. And soon CloudEz and readable.ai will be available in Google marketplace; we intend expanding these into other marketplace also. So, everything will be driven through a marketplace market model. According to Bloomberg,

the global healthcare analytics market is \$40 billion, and we have a significant opportunity to play in this space with CloudEz and DataEz. DataEz is now currently deployed on platform solutions model in two very large pharma companies; additionally, we are positioning this in hospitals as well as well as mid-size pharma companies.

- Amit Agarwal:** What about the Blockchain platform is that doing well or where we should see this?
- Suresh Venkatachari:** It is currently in the piloting stage in few places. We will be able to official launch very soon and you will see the press release on blockage.
- Amit Agarwal:** And you said we lost Rs 40 crore business because of the hospital business; do you expect that hospital business to come back in the financial year?
- Ravi Chandran:** Yes, we already started witnessing the growth in the Q1 FY22 already we are growing, and we would expect by this year to back to our 2019 level of healthcare business hopefully.
- Amit Agarwal:** One more question all these projects are CloudEz and DataEz is part of our SecureKloud companies, so I am surprised that this product has been launched under the Healthcare Triangle?
- Suresh Venkatachari:** That is the reason we spin off Healthcare Triangle. Healthcare Triangle is owned by SecureKloud only. CloudEz and DataEz for healthcare is owned by Healthcare Triangle, the same CloudEz and DataEz which is another brand which will go for a non-healthcare background at a separate product branding.
- Amit Agarwal:** other section also?
- Suresh Venkatachari:** Yeah, SecureKloud is focusing currently we have an entertainment sector, we have large client, we have in the manufacturing in automation, in the automotive industries we have. So, we are helping with managed services everything driven out of our cloud platforms only.
- Amit Agarwal:** Because all the management attention is towards HTI, the rest of the business has become dead because in last 100 days there are no updates on SecureKloud. I am surprised that all the management focus is with respect to Healthcare Triangle?
- Suresh Venkatachari:** No, it is not actually so there are announcements which will be happening in both companies. End of the day Healthcare Triangle is 85% owned by SecureKloud Inc. Current focus is to build the Healthcare Triangle to grow because the healthcare market is a very significant market, and we want to be among the top 10 healthcare IT company in the next 5 years. So, there is a lot of emphasis on this. At the same time, we are investing in SecureKloud as well and we hired a chief delivery officer who comes from the BFSI space with more than 25 years' experience to build the BFSI practice. In Blockchain we are looking at the automotive and pharma market. and are looking to expand other markets. Our revenue split is 70% Healthcare and Life science

and 30% from ICT. Amit with that I want to give other opportunity to other people because I do not want to hold the line.

Moderator: Thank you. The next question is from the line of Aniket Dogra from Centrum Broking. Please go ahead.

Ankit Dogra: I have a question for Mr. Thyagarajan so I just wanted to ask you we have been seeing steady increase in the recurring revenue which now stands at around 35% which is a very good sign, but when will we see a corresponding increase in the EBITDA margins?

Thyagarajan R: Two things; one if you look at it our recurring revenues over the last 5 quarters, they have inched up from 30% to 35%; in the beginning of the year we made some strategic decisions to move away from high cost and non-core revenue; we did not want to do the volume business and we wanted to focus on quality recurring and long-term revenue and this shift is happening and as we speak.. The aim is over the next 4 to 6 quarters we will move from 35% recurring revenues to about 48% to 50%; and our EBITDA margin which is currently around 10% we will slowly move up to about 17% to 18% over the next 4 to 6 quarters. Second, recurring are long-term contracts and our sales cost will come down from the second year; as we build on our platform offerings, the gross margin is going to improve substantially because platform revenue gross margins are typically in the range of 60-70%; and this is going to be a significant game changer for us over the next two years. This is going to be significant as the incremental EBITDA margins are going to come largely recurring revenue and higher share of platform revenue.

Ankit Dogra: So, I presume that the costs for platform most of the CAPEX is done and mostly it will be maintenance CAPEX going forward if I am correct, correct me if I am wrong?

Thyagarajan R: We want to clarify that we do not capitalize any development cost under CAPEX, and it is reported in the P&L as R&D and this is nearly 8% of the revenue in the P&L. So, you are right we have kind of peaked our investments on R&D which is the platform related CAPEX and over a period the value and the percentage will go down as a revenue from platform customers improves.

Ankit Dogra: So, am I right in assuming that coming four quarters there will be the rate of revenue increase will be more than rate of expenditure increase?

Thyagarajan R: Yes. As of now we have not started sharing the platform contribution and platform margins, but you know over the next three to four quarters our aim is to start focusing on that and get the financial reporting system streamlined to start reporting this breakup. Yes, the rate of growth in the platform will be disproportionate and this will be significantly higher than the normal IT business.

Ankit Dogra: One more question regarding the debt part the if you see the cash flow statement, so the debt shows that you have reached around 34 crores as debt and for the year and 34 crore borrowing for the year and also the cash balance you have shown as 34 crore, so the cash balance signifies what the debt you have raised or because there is no operating cash flow which you have generated, so am I right that cash flow which you have shown as 34 crore in the debt what you have raised it is not anything else?

Thyagarajan R: I think you are absolutely right; I mean mathematically it is right because we have also done lot of investments towards the IPO which is sitting in prepaid for which cash has already been incurred towards the HTI IPO filing etc. I mentioned earlier that we raised close to \$4.25 million about Rs 31 crores as Convertible debt and this money has come in the financial flows. And yes, the operation cash flow has been negative this year. Our focus will be to build on the platform business as all the investments towards platform is already in the P&L and this will start paying us cash over the next 4 to 6 quarters and thus a large portion of the EBITDA will turn into cash in the next four quarters.

Ankit Dogra: So, can I have one question with Mr. Suresh can I just ask one question sir can you give us some guidance on the revenue for next one year or two-year revenue guidance revenue growth guidance?

Suresh Venkatachari: So, if you see Thyagarajan has mentioned earlier also it is like we are looking somewhere around 12% to 14% revenue growth for FY22 and as our next step if you really look at our IPO our Healthcare Triangle in raising the capital which will also enhance and accelerate our growth rate. So, we project to be like in the next 5 years we want to be a leader in the healthcare sector for Healthcare Triangle and the SecureKloud business which will grow. So, we have I think settled our best in the past so we are anticipating continuing to grow significantly again the growth rate we will look at more on a SaaS recurring revenue model. Our plan is in the next 5 years to grow at least 60%, 65% of our revenue coming from the recurring revenue model. So, that will stabilize for valuation much better and improve the EBITDA margin significantly.

Ankit Dogra: Sir and last question what is the total contract value stands at right now?

Suresh Venkatachari: We have a backlog of Rs 300 crores right now.

Ankit Dogra: Sir and the duration of new contract signed is approximately how much is it a short-term contract or multiyear contract which is like Mr. Ravi said in the opening?

Suresh Venkatachari: See typically we are moving away from a short term to a long-term contract so that is the reason lot of shifts is happening. See like a readable.ai and other things like our Cloud DR back up all our multiyear contract they are getting signed. The cloudEz and other solution where the support contract or yearly contract which are renewable and most of the contracts with the same customers, we are growing like Ravi mentioned that our key customer every contract we

renewed. Based on the history most of the customers are growing and we are also de-risking by adding new customers. So, our majority concentration of a single customer risk we are trying to avoid over a period. It is not going to be immediate, but it is going to be over a period of time our top 20 customer concentration will be significantly lower, so we leave this to ourselves. We witnessed some slowdown in the last quarter otherwise because of the COVID closing time now the US market is pretty open. We are seeing a deal closing in Q1 and Q2 and Q3 we estimate to close more number of orders where we are already either a short listed or chosen as a top two or top three vendors. So, those things will improve our revenue new customers also.

Moderator: Thank you. The next question is from the line of Jaideep Sampat an Individual Investor. Please go ahead.

Jaideep Sampat: I missed the part about the NASDAQ listing that was said earlier can you please repeat that?

Suresh Venkatachari: We have filed the confidential S1 with SEC; it is a confidential filing and not a public filing. As per the SEC process, it takes anywhere between 4 to 6 months for listing from the S1 filing. We estimate that within this timeframe we will be listing ourselves in NASDAQ. We will not be able to divulge beyond this at this time because we are bound by SEC's confidentiality rules. Once it becomes a public filing, we will disclose appropriately to the stock exchanges and shareholders will get access to the HTI information in SEC site.

Moderator: Thank you. We take the next question from the line of Shrikant an Individual Investor. Please go ahead.

Shrikant: When you are thinking of NASDAQ listing, what is the percentage of valuation you are aiming in HTI?

Suresh Venkatachari: We do not know the valuation or the percentage dilution at this moment; that will be done based on the pricing and various other factors after we obtain listing approval from SEC. We already obtained permission from SecureKloud shareholders to list HTI in US; and we believe that we will sell a minority stake when HTI goes public.

Shrikant: So, recently we announced the HTI has launched CloudEz and DataEz platforms, so before these products are part of SecureKloud USA, so is there a moment of product from SecureKloud to Healthcare Triangle?

Suresh Venkatachari: We shifted the IP from SecureKloud to Healthcare Triangle that is part of the spin off. So, we did, but however CloudEz and DataEz portion for non-healthcare sector still will remain the property of SecureKloud and we are looking to sell that into different markets like a BFSI and other markets.

Shrikant: But what is the rationale behind because earlier shareholders of SecureKloud India the percentage we owned in SecureKloud USA is more compared to the Healthcare Triangle being subsidiary, so when there is a moment of some?

Suresh Venkatachari: So, far the software for CloudEz and DataEz was only sold to Healthcare Triangle customers before healthcare customer only it was not sold to other customer. Now only we are taking the products of other customer because if you see the IP which is actually deliver to only specific, we build and lot of things we build for healthcare sector which is like GST compliance, HIPAA compliance and other things so those are the models which is build.

Moderator: Thank you. The next question is from the line of Aniket Dogra from Centrum Broking. Please go ahead.

Ankit Dogra: Sir, my question is regarding the borrowing profile, regarding the debt of the company sir I presume that we will be raising x amount of money from the HTI listing in the US, sir what will be the proceeds used for as in will it be used to pay off the debt or will it be used for further growth or what will be the debt profile look like post listing consolidation?

Suresh Venkatachari: So, first step when the HTI goes public the 31 crores of convertible debt which will go away from the balance sheet because that will convert into equity. The HTI raising the capital is further growth and the working capital for the company so which will also help us the US credit line to be not used we have got about a \$5 million 35 crores when we have a cash, we do not need to borrow the money it is a working capital line actually you can pay out, but still the line is available for you. So, with this is you really look at it out of the 110 crores to now 105 crores out of the 105 crores approximately about 60 to 70 crores will go away from this, am I correct.

Thyagarajan R: Just to add to the point Suresh mentioned see in the debt schedule 56 crores of debt is actually loans from bank both are working capital loans one in US about 36 crores and 20 crores in India; and in addition, 31 crores are convertible. So, the moment HTI gets listed, the convertible will move into equity so the net debt will look like it is 75 crores instead of 105crores. Point number two, we will raise sufficient capital in HTI for further growth. You will also witness growth in SecureKloud India. because we have already started signing direct deals from SecureKloud India. So, that will contribute the revenues and profitability in India as well right as management, our belief is over the next the next 12 to 18 months we will become debt free. And we are conscious that \$1.7, \$1.8 of interest cost that is sitting in the P&L which we want to rationalize over the next quarters.

Ankit Dogra: Sir if I see the presentation which I can see is that the 140 crore is the gross debt convertible note will get converted to equity so it becomes around 100 crores so approximately 100 crores, so out of which you are saying that you will further pay the bank the working capital line in the US. So, that will another reduce by 30 crores so 70 crores.

Thyagarajan R: They will be much lower for the time being you can take that number, but our aspiration is we want to be there will be sufficient cash as you know the previous question that you asked on platform the moment we start growing, more cash from platform revenue that will go on offset some of the borrowing cost from the P&L today.

Ankit Dogra: I had one more question what is the attrition rate at the moment for employees?

Thyagarajan R: 17%.

Ankit Dogra: And breakup of employee cost between offshore and onsite out of 50 crores approximately the employee cost of which can you give us some breakup in terms of onsite is how much and offshore is how much?

Thyagarajan R: You spoke about 48 crore is the overall consolidated cost quarterly cost is about little as a million dollar in India quarterly.

Ankit Dogra: Around 7.5 crores quarter?

Thyagarajan R: Approximately 7 crores that is quarterly in India.

Ankit Dogra: Okay 40 crores will be the US cost?

Thyagarajan R: Yeah, slightly more than \$5 million is the US cost actually.

Ankit Dogra: Post listing SecureKloud India will hold about 55% which we discussed in the last call correct?

Thyagarajan R: See INC shares is not we are not selling right. We are only selling the secure Healthcare Triangle. So, still the 63%, 65% we will be owning from India SecureKloud, but depend on we do not know we cannot say any pricing Ankit, we do not know the pricing yet. So, depend on the valuation which we get of the Healthcare Triangle raising on the capital based on the dilution will happen. Our interest is to keep a subsidiary as a SecureKloud.

Moderator: Thank you. The next question is from the line of Milind Trivedi Individual Investor. Please go ahead.

Milind Trivedi: I can see the tremendous improvement from FY20 and this financial year there is no observation from auditor so thanks for all the effort, so I have one concern that why do we choose declaration that at the last day of compliances can we not do one week before like kind of 22nd May or 23rd May. The last year declaration will not give right picture to the investor?

Suresh Venkatachari: You are absolutely right actually because of the COVID in Chennai we have a lockdown even our auditor got COVID that is where the problem happened. So, in future we will try to do earlier.

Milind Trivedi: So, one more question I have is so earlier we were mainly healthcare and life science businesses now we are expanding to other geographies, other verticals, so generally when business expansion happens the core business company keeps to themselves and they start the new subsidiary and then they put more effort in expanding the subsidiary, but in our case we have actually our core business we are giving to subsidiary and that will be listed separately and the expansion part we are keeping to ourselves that is SecureKloud Technologies, so what was the reason behind this sir?

Suresh Venkatachari: See because by combining all the parent company we are not getting a proper adjustment for the healthcare market. So, within the company both healthcare and life sciences the attention is not going. So, what we felt is because we are still keeping our core cloud technology, data technology in the SecureKloud because SecureKloud is a born in Cloud company that even if really look at it the Amazon partnership like AWS partnership or a Google partnership is under the SecureKloud which is shared by the subsidiary Healthcare Triangle. So, we keep that we only spin off the healthcare and life sciences domain experience which includes we acquired a Cornerstone business three years back all this are moved into the thing. So, our goal is to grow different sectors especially like a BFSI and other market where we see a tremendous opportunity in the cloud so that is the reason we are doing. So, it is the Healthcare Triangle is created for addressing the healthcare demand. So, that is a thing what we have triggered and SecureKloud will address all other sectors and as we now even spinning our blockages and all other things like a blockchain. So, we will have a value creating into the SecureKloud and like Ravi said and Thyagarajan said we are also generating directly selling the project with SecureKloud India also.

Moderator: Thank you. The next question is from the line of Pankaj Dhopadkar, Individual Investor.

Pankaj Dhopadkar: So, my question is with respect to HTI, so how is the revenue what is the top line for HTI right now and what you expecting it to be in FY22 and 23 and what will be the bottom line also and market condition what we are projecting after listing or like before listing for HTI?

Suresh Venkatachari: The current annual revenue is around \$33 million for our Healthcare Triangle. See will not be able to share any forward guidance because of the confidentiality restrictions from SEC. However, we anticipate strong revenue growth in Life sciences and healthcare. The healthcare life sciences industry has benefited from COVID and the pandemic has accelerated growth in the industry. Many companies have made heavy investments and are going public in healthcare similar to Healthcare Triangle especially in areas of mental and digital health.

Pankaj Dhopadkar: Sir any valuation you are targeting for HTI it is disclosable?

Suresh Venkatachari: Our investment banker will do the pricing because we need to first the steps are very simple; I think the price discovery process is very similar to India; we have to clear the SEC listing requirements and only after that the pricing can be done before that we cannot do our pricing.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. I would now like to hand the conference over to Mr. Thyagarajan – CFO SecureKloud Technologies Limited for closing comments.

Thyagarajan R: Thank you participants. Thank you all for joining us today; this been a tremendous year for us with big learning, the teams have all pulled up their socks despite all the pandemic and all the challenges as a management team we have accomplished whatever we committed at the beginning of the year and we will keep focusing on some of the key attributes that we spoke about in the beginning of the call and keep updating the investors and market community on developments. Wish you all good luck, stay safe during the pandemic and talk to you soon. Thank you Anuj and thank you for the call this afternoon.

Moderator: Thank you. On behalf of SecureKloud Technologies Limited that concludes this conference. Thank you all for joining you may now disconnect your lines.