

Ref No: RML/2020-21/183

Date: February 2, 2022

To,

BSE Limited
Scrip Code: 543228

National Stock Exchange of India Limited
NSE Symbol: ROUTE

Dear Sir/Madam,

Sub: Earnings Call Transcript – Q3 FY22

We are enclosing herewith copy of the transcript of the Company's Q3 FY22 earnings conference call dated January 27, 2022. The transcript is also available on the Company's website i.e. www.routemobile.com under the Investors section.

You are requested to take the above information on record.

Thanking you,
Yours truly,

For Route Mobile Limited



Rathindra Das
Group Head Legal, Company Secretary & Compliance Officer

Encl: as above



ROUTE MOBILE LIMITED

Q3 & 9MFY22 EARNINGS CONFERENCE CALL JANUARY 27, 2022

Management:

1. Mr. Rajdipkumar Gupta – Managing Director and Group CEO
2. Mr. Gautam Badalia – Group Chief Strategy Officer and Chief Investor Relations Officer
3. Mr. Suresh Jankar – Chief Financial Officer

Moderator:

Good evening, ladies and gentlemen. I am Aman, moderator for this conference. Welcome to the Conference Call of Route Mobile Limited arranged by Concept Investors Relation to discuss Q3 and 9MFY22 results. We have with us today Mr. Rajdipkumar Gupta – Managing Director and Group CEO, Mr. Gautam Badalia – Group Chief Strategy Officer and Chief Investor Relations Officer and Mr. Suresh Jankar – Chief Financial Officer. At this moment all participants are in the listen-only mode later we will conduct a question-and-answer session. At that time if you have a question, please press '*' and '1' on your telephone keypad. Please note that this conference is being recorded. Before we begin, I would like to remind you some of the statements made in today's earnings call, may be forward looking in nature and may involve certain risks and uncertainties. Kindly refer to slide number 2 of the presentation for the detailed disclaimer. I would now like to hand the conference over to Mr. Rajdipkumar Gupta – Managing Director and Group CEO. Thank you and over to you, sir.

Rajdipkumar Gupta:

Thanks Aman. Good evening, everyone. I want to start by wishing you all of you a very happy new year filled with lots of good health and prosperity. We have had another strong quarter; in fact, we have posted our best quarterly revenue to date. The following are some of the key highlights of our quarter gone by; we have successfully raised Rs.867.5 crore via QIP from marquee investors which will utilize to accelerate our organic and inorganic growth. I am also excited and proud to tell you that RAPID our developer outreach program which we have envisioned for some time now was launched in past quarter. I have always believed in the power of engaging with young mind and learning from them and this event let build up with the potential. We have witnessed participation from over 7,000 developers across the globe each of whom had some fantastic idea and use our API's to create some unique solution. It has been an inspiring experience to meet, interact and learn from these young entrepreneurs and developers and we can't wait to build on this. We also launch our payment as service offering that facilitate a 360-degree seamless payment experience to our customer. We have completed two acquisitions during this quarter - Masivian in Latin America and Interteleco, a Kuwait based Company that will help strengthen our presence in GTC. These two Companies will further enhance our operator relationship and help us with our enterprise segment growth in both the region. I am also happy to announce that Route Mobile had been recognized as an ESG leaders based on the factors such as community support and development, data privacy and security, Board independence and ethical business practices. Finally based on our super relative performance in Q3 FY21-22 the Board of Directors has approved an interim dividend of INR 3 per share. I will now turn it over to Gautam to take us to the financial, thank you for your time.

Gautam Badalia:

Thank you, Rajdip. Good evening, everyone. Hope you and your family are safe and fine and wishing everyone a very happy new year. We have already uploaded our quarterly earnings presentation on our website as well as on the Stock Exchanges website. Hope you had a chance to go through the presentation. I will quickly summarize our financial and operating performance during the Quarter gone by and 9 months FY22 before opening the floor for Q&A. The key take away of some our financial performance in Q3 FY22 has been the strong revenue growth momentum as highlighted by Rajdip on a year-on-year basis we registered a revenue growth of 46% and on a quarter-on-quarter basis the revenue growth was 29.2%. If we were to exclude Masivian and Interteleco the two Companies that we required. Organic growth during the quarter-on-quarter basis was 22% and 38% on a year-on-year basis. So, Q3 FY22 in fact has been the best quarterly revenue performance till date. In volume terms we processed over 16.29 billion transactions which is again the highest quarterly billable volumes processed by us till date. In terms of operating overheads there was a non-cash charge of INR 93.2 million to the P&L owing to grant of 7,36,500 ESOP Employee Stock Options which were granted to



eligible employees of Route Mobile and its subsidiaries and that the recently floated ESOP Scheme 2021.

In terms of geographical expansion our India pie continuous to increase as highlighted in slide 20 of the earnings presentation and with the two acquisitions we have added two new geographies to our global portfolio as is reflected on slide 17 of the presentation. We continue to witness very strong momentum on the next generation products across multiple geographies as highlighted in slide 25, on year-on-year basis for the new products we have registered strong growth of 156% and on quarter-on-quarter basis growth of 67%. With RAPID we intend to democratize the use of plug-in play API's to move the developers and the startup ecosystem. From last quarter onwards, we have accelerated our sales and marketing efforts towards making RAPID truly developer focus platform. We conducted a globally API hackathon which witnessed participation from over 7,000+ developer across the globe. With this backdrop let me walk you through our financial performance.

In terms of Q3 FY22 revenue from operations grew by 46.2% from INR 3,848 million in Q3 FY21 to INR 5,628 million in Q3 FY22 there was a sequential growth of 29.2%. Billable transactions increased from 8.82 billion in Q3 FY21 and 10.86 billion in Q2 FY22 to 16.29 billion in Q3 FY22. This includes 3.31 billion billable transactions processed by Masivian and Interteleco for their relevant period of consolidation. Average realization per billable transactions decreased from 40 paisa in Q2 FY22 to 35 paisa in Q3 FY22 owing to lower average realization per billable transaction in Masivian and lower E-Mail average realization. Gross profit margin expanded from 18% in Q3 FY21 to 21.1% in Q3 FY22. Adjusted for the non-cash ESOP charge, EBITDA grew by 73.5% from INR 445 million in Q3 FY21 to INR 772 million in Q3 FY22. EBITDA grew by 25.2% from 617 million in Q2 FY22 to INR 772 million in Q3 FY22. EBITDA margin was 13.7% in Q3 FY22 compared to 14.2% in Q2 FY22 and 11.6% in Q3 FY21, EBITDA margin decline sequentially owing to increase in sales and marketing cost and hiring of developers towards the RAPID initiatives which we have launched in terms of the hackathon in the Quarter gone by. Effective tax rate for the quarter over 16.7%. Adjusted profit for tax grew by 41.6% from INR 420.9 million in Q3 FY21 to INR 596 million in Q3 FY22. Adjusted PAT margin was a 10.6% in Q3 FY22 as against 10.4% in Q2 FY22. For the 9 months period ending December 2021 revenue from operations grew by 31.8% from INR 10,437 million in 9 months FY21 to INR 13,760 million in 9 months FY22. In terms of certain KPIs billable transactions increased from 23.5 billion in 9 months FY21 to 34 billion in 9 months FY22. Average realization per billable transaction was 41 paisa as against 44 paisa in 9 months FY21, for reasons that we have highlighted the realizations for Masivian and Interteleco combined, and the E-Mail realizations happen to be lower than the average realizations of Route mobile. We had a net revenue retention of 125% as highlighted in slide-22 in the earnings presentation. We added over 250+ new customers including our couple of large customers during the quarter across all products. Gross profit margin expanded from 18.9% in 9 months FY21 to 20.9% in 9 months FY22, EBITDA margin grew by 51.4% from INR 1,242 million in 9 months FY21 to INR 1,880 million in 9 months FY22. In terms of operating leverage, the conversion of EBITDA to gross profit expanded from 62.8% to 65.3% during the same period. EBITDA margin expanded from 11.9% in 9 months FY21 to 13.7% in 9 months FY22, effective tax rate for the 9 months period was 17.6%, adjusted profit for tax grew by 31.6% from INR 1084 million in 9 months FY21 to INR 1427 million in 9 months FY22, adjusted PAT margin remains stable at 10.4%, we on boarded around 150 new employees during the 9 months period. Attrition rate has been increased from 11% in FY21 to 20% in 9 months FY22 on an annualized basis. Net cash as on December 31, 2021, was INR 11036 million, average receivable days has increase slightly from 55 days in FY21 to 59 days in 9 months FY22 and average payable days increased from 80 days in FY21 to 83 days in FY22. We incurred Capital Expenditure (CAPEX) to the tune of about Rs.12 crores during the Quarter gone by.

With this, we open the floor for Q&A.

- 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 Pranav Kshatriya from Edelweiss please go ahead.
- Pranav Kshatriya:** Sir, firstly can you comment little bit on the news services analysis where we have seen a fairly decent growth, especially on E-Mail I would want to know what has been progressed because you had said that aggressive target there. And second is what is the value proposition of this payment services business for which year trying to build and what short of product we are looking at and who will be the typical audience here? That's my first question I will come to the next question after you answer this.
- Rajdipkumar Gupta:** Hi Pranav, Gautam let me just answer the second part and you can answer the first part later on. Pranav, I think the payment and service API which we have launched is specially meant for omnichannel platform and we are talking mode conversation commerce as a part of our offering. It can be used over any conversational commerce chatbot like whether it's on WhatsApp or RCS or Telegram also. So, I think we are launching our API which will be enable enterprise customer to do commerce within the chatbot itself. I hope I am able to answer your question.
- Pranav Kshatriya:** Yes, but will you have some customers who are trialing yet?
- Rajdipkumar Gupta:** Yes, there are few POCs which are going on right now as you speak and very soon, we will give the update on customer and revenue as well.
- Pranav Kshatriya:** And what will be the revenue model here?
- Rajdipkumar Gupta:** I think there is various options on that like over the charging mechanism, so I think that we will share separately but right now as on the overall POCs thing which we have building right now that is more important for us to get the POC done with the customer and then we can comment on revenue.
- Pranav Kshatriya:** Sure, Gautam you were give some color on this progress on the revenue.
- Gautam Badalia:** Pranav, I mean the revenue model essentially will be a take rate of the GMV or the value that will be processing through the platform in terms of payments akin to any fintech of payments that happens. With respect to your first query around E-mail, so I think on E-mail for the 9 months we have done about 5.23 crores and we are at this point of time investing into making the E-mail platform kind of a self-serve platform making it more and more familiar with a lot of marketer across the globe and there is a lot of time spend on kind of including sales and marketing efforts to make the platform more and more self-serve. So, this 5.23 crores largely pertains to enterprise revenue that we are crossing right now of E-mail services that we are offering too. That be on transactional and bit up promotional messages that goes to the platform but the overall intent or the strategy is to kind of make this essential platform which could be largely available to English speaking marketers across the globe.
- Pranav Kshatriya:** Is like Rs.12 crore CAPEX happen largely towards this or they were something else?
- Gautam Badalia:** No, A large part of this Rs.12 crore CAPEX was towards the incremental, the new call center facility that we have set up so that about Rs. 5.5 to 6 crores went towards that and other than that largely it was for infrastructure upgrade.

- Pranav Kshatriya:** Okay and this quarter we saw fairly high ESOP cost now should be assume these INR 93 million kinds of a cost more of a run rate cost or this would be more or less one of expenses and he can give some color on this ESOP, especially on what is the price point at which these ESOP forms alone?
- Gautam Badalia:** So, the ESOP were issued at a price point of a 2,292 or 2,293 rupees and over a vesting period of around 4 years. In the first year the charge happens to be the maximum around 48% and then a gradually tapers off, so second year little bit around 28%, 17% and 8% for the last year.
- Pranav Kshatriya:** So, these expenses will taper out next year.
- Gautam Badalia:** Yes, and as it is a non-cash charge to the P&L.
- Pranav Kshatriya:** Right and so how much was the cash on the books has on 31st of December considering you had money outs of?
- Gautam Badalia:** Yes, Rs. 11,036 million.
- Pranav Kshatriya:** Thank you, that is from my side and wish you all the very best.
- Moderator:** The next question is from the line of Anil Nahata an individual investor, please go ahead.
- Anil Nahata:** I have a couple of question; the first question is around these two acquisitions Masivian and Interteleco. Can you please give me the gross margin and EBITDA margin from this business any sense around that?
- Gautam Badalia:** Yes, for the Masivian gross margin are in the 40s at this point in time and there is room to improve it further and that is where we are kind of acting as a technology partner to Masivian to upgrade their entire tech stack. For Interteleco the gross margin would be in and around the portfolio gross margin that we have talking right now.
- Anil Nahata:** That is around 20%.
- Gautam Badalia:** That is correct.
- Anil Nahata:** And what would be the annual run rate for the Masivian business?
- Gautam Badalia:** Masivian business should do on a monthly revenue basis about 1.8 to 2 million dollars.
- Anil Nahata:** Around Rs.15 crores per month.
- Gautam Badalia:** That is correct.
- Anil Nahata:** That was the first question and second question I just wanted to understand the growth in the numbers; organic numbers basically. Did it happen from the ILD price increase, or it is a more increase in volume?
- Rajdikumar Gupta:** Let me just answer this question, Anil. I think ILD price already increase from last 6 month. So, it's more on a volume increase you can say that. We got a few customers on boarded on ILD broacher due to that they have been increase.
- Anil Nahata:** So, basically this means you have taken away some market shares from the competitors.

- Gautam Badalia:** Yes, indeed. So, Anil just to give some stats to it from the organic front we have our volumes have increased by 13% on a YOY basis for the 9 months period. So, basically 13% is the increase in volume on organic basis
- Anil Nahata:** And just as follow up question on the ILD and that's my last question. In this ILD business of India who are the major players and what are the market shares they enjoy any color around that.
- Rajdipkumar Gupta:** To be honest, with you there are so many claims happenings in the market right now and people claim so many numbers, there is no actual number as such. Some people of claim 55% and some claim 40%. So, we are doing a descent revenue, our revenue is growing quarter on quarter on ILD, and I think we want to stick with our numbers on growth. We are not in position to give that some kind of guidance and what kind of potential market is there.
- Anil Nahata:** Fair enough Sir. I was also confused about the various claims and that's why wanted to clarify, because...
- Rajdipkumar Gupta:** I think we are also confused on that side. To be honest with you, Anil.
- Anil Nahata:** Okay, thank you so much.
- Moderator:** The next question is from the line of Mohan Kumar from MJ Investments, please go ahead.
- Mohan Kumar:** Congratulations on the right set numbers. I just have couple of questions. The first one is respect to the margins. You had mentioned that the Masivian had resulted in a slight decrease in the margins on quarter-on-quarter basis. So, as mentioned that seen gross profit margins actually pretty high and you can actually expand that further. So, do you have some kind of a timeline or when do you expect the margin expansion to be completed by or to reach a fair portion of that can we achieve that?
- Gautam Badalia:** So, Masivian actually has led to the average realization coming off because there the average realization happens to be around 9 paisa - 10 paisa in INR terms. So, other than that Masivian is definitely doing very high and healthy margins and we intend to grow that business at that kind of margins I mean going forward.
- Rajdipkumar Gupta:** Just to add out here. I think Masivian is going to use all our Omnichannel APIs which has been developed by Route Mobile. And I think the WhatsApp potential in Colombia market, and I think all this Spanish speaking Latin America market is very huge. And I think they were using APIs from third party now. They will directly use our APIs. So, I think that is also going to add value in terms of getting their GP increased.
- Mohan Kumar:** Does that give you a leg into the Spanish speaking folks in Mexico and other parts in the US too. We got a fair amount of Spanish speaking folks, so does that give you an entry over there?
- Rajdipkumar Gupta:** Yes, we already set up our sales office now in Mexico, Chile and Peru. So, we already working towards that.
- Mohan Kumar:** So, my second question is again with respect to factors that you are facing. You still got about more than 1000 crores of cash on hand including what is been approved internally and capital has been raised. Is that any deal that is there a completion in the term which respect to something that you have identified and in pipeline?

- Rajdipkumar Gupta:** Yes, Mohan thanks for asking the question. It's a very good question. To be honest, we are a global CPaaS player and probably one of the unique from India itself. So, I think our vision is very clear we want to focus on global market rather just one market. Because, India is just one of the markets for us not our entire market. Even if you see our revenue, I think its 50% coming from India and 50% coming from outside India. So, we will definitely look for the more acquisition whether it's a geographical or a product enhancement and we are not sign away with that. And we are happy to share that we are excited to working on certain deals which may happen very soon.
- Mohan Kumar:** Got it, thank you. And just one book keeping question. So, the revenue growth that you have mentioned is that it seems quarter is very strong, and you mentioned in one of the interviews that we are expecting up to 30% this year which implies to a certain number which is largely in line with what we have done in 3Q. Generally, 4Q has been slightly cheaper because of seasonality. But as Masivian ramps up, can we expect 4Q numbers in line with 3Q?
- Rajdipkumar Gupta:** I think we have just increased our guidance to 30% and if all goes well probably, we may achieve a little higher than that.
- Mohan Kumar:** Perfect, sounds good. Thanks a lot, and all the best for your fourth quarter.
- Moderator:** Thank you. The next question is from the line of Hiren Dasani from Goldman Sachs Asset Management, please go ahead
- Hiren Dasani:** Congratulations. Just wanted to spend some time on the Slide #25 the new product revenues which shown strong growth during the quarter. Can you explain what's happening there? Quarterly new product sales run rate which was more increasing your INR 120-30 million gone up quietly nice this quarter?
- Gautam Badalia:** That's correct. So, it is a function of a few things I think from our perspective seen good traction building around email and Masivian as a Company again does a lot of work, new product solutions that they sell to enterprises so that is also added to this pie. Email is started to gain some traction; we start now building enterprises on RCS. So, till last quarter we were offering RCS, till Q2 FY22 we were offering RCS as a freebee. We just wanted to make the brands aware of the product capabilities and what it renders for the brand. And we now have active billable clients now on RCS front that is gaining a lot of traction. On WhatsApp and Viber, we have seen lot of new clients being onboarded including we just done our best deal few weeks back - Bank of Maharashtra there are few other large clients that onboarded on WhatsApp as well. So, the new product I think been able create a very well oil engine and we been able to do this across multiple geographies and the sales team are now kind of well trained to now offer these new products to enterprises and we have now at a stage where we are doing not more cross sales with the existing enterprises.
- Hiren Dasani:** Thank you. And on the core business, the organic revenue growth of 22% QoQ is very encouraging. And just wanted to understand if there is any large new contract wins here and what is the kind of sustainability of this kind of growth momentum?
- Gautam Badalia:** So, definitely there are some clients who have ramped up significantly. In fact, one of the clients that ramped up part of our top 2 - top 3 clients. And there we are witnessing significant momentum even as we speak today for the month till date, we have been witnessing that kind of momentum. And there is a strong momentum, that's why in this growth. There are some few new clients that we have won and some of them should become operational from the month of February. So, that will add to this momentum. And

in terms of recurring revenue, we have been doing about 90% of our revenue is recurring so per se, these are clients who are happy with the services that we are entering, and we have been able to get higher wallet share.

- Hiren Dasani:** I understood. Make sure that there is no seasonality element historically there is...
- Gautam Badalia:** Q3 definitely happens to be the best quarter for us. But, looking at the momentum that we are kind of witnessing this month. We believe Q4 again should be a good quarter for us.
- Hiren Dasani:** Great, all the best and thank you for your time.
- Moderator:** Thank you. The next question is from the line of Manish Poddar from Nippon India AIF. Please go ahead.
- Manish Poddar:** Firstly, you said that ESOP funded incrementally will 9 crore per quarter for the next three quarters and thereafter it will dip it down 4 odd crores per quarter for the next year?
- Gautam Badalia:** That's correct, Manish. So, about 10 odd crores per quarter. So, currently for this quarter about 80 days.
- Manish Poddar:** And how much is the cash on book you said Rs.1,100 odd Crores. So, how much is the payout which you have done for Masivian now write off?
- Gautam Badalia:** We paid about \$30 million. And we have paid about Rs.16 odd crores for Interteleco acquisition.
- Manish Poddar:** I am just trying to understand the run rate which Masivian is operating. Let's say EBITDA level would it be a fair understanding that the earnout would not occur.
- Gautam Badalia:** No, earnout now it is about \$2.5 million and the kind of run rate they are clocking, and my sense is they will have it, its kind of ratcheted structure. and depending on the performance upto \$7.5 million that \$2.5 million earn-out is payable. So, they will have some part of it. Looking at the performance, looking at the client wins that they have done. Some of the telco tie ups that they have done. And they will also get some synergy benefits from us in terms of some of these large OTT players whom we have direct partnership with or direct association with. A lot of those will also help them in accelerating their revenue within Latam.
- Manish Poddar:** So just two more questions. First, if you could probably help me understand this hackathon expenses which you have done probably in marketing and that's stacks up in the other expenses how much would be that, lets on actual basis?
- Gautam Badalia:** So, about Rs. 2.5 Crores.
- Manish Poddar:** What do you explain, let's say the operating profit not really getting in, despite the scale which you have seen. So, are you seen significant drag on because, even if I ex-out the Rs.9 Crore odd in stock cost? The EBITDA margin is significantly lower given that you also there is Forex income benefit. So, what do you explain the conduction with the margin?

- Gautam Badalia:** So, EBITDA margin vis-a-vis last year, I think it is down by 0.5%. But on the Q-o-Q basis there is significant EBITDA expansion that is played out.
- Manish Poddar:** I probably take that offline because, I think there is...
- Gautam Badalia:** Sorry Manish, I will just correct myself. On a QoQ basis there is a 0.5% decline in the EBITDA margin so from 14.2% it is fall into 13.7%. But on a YoY basis it is expanded to 11.6% to 13.7%. So, this 0.5% dip that we have witnessed on QoQ basis was largely because of the initiative that you have taken around RAPID. But were we continued to invest into making RAPID kind of developer service platform.
- Manish Poddar:** What is the total investment in rapid was what Rs.2.5 crores what you said, right? Or were there other developments also?
- Gautam Badalia:** Yes.
- Manish Poddar:** Sorry, just I had time to understand two more things. One on this acquisition, let's say this 30 Crore run rate at which we are having from this to acquisition. What would be the EBITDA run rate which you have talking now and just want to understand where does that stack up let's say 3 quarters - 4 quarters out.
- Gautam Badalia:** No sir, Rs. 30 Crore run rate is, so Masivian was consolidated for about 50 odd days and Interteleco is for one month. So, if I bet to kind of normalise it on about \$2 million revenue, Masivian should be able to give us EBITDA of around 20% and Interteleco should give us an EBITDA of around 14% - 15%.
- Manish Poddar:** Okay and just one last one. So, my understanding was that yield on email is relatively higher. But is this because you are in early basis of integration and that is whether yield is lower because you have given attractive pricing? Or can you probably help me understand that.
- Gautam Badalia:** Sorry, Manish in which part of the world you are saying?
- Manish Poddar:** So, the yield on the email you had a slight blended yield. You have two lines...
- Gautam Badalia:** Yes, it is significantly lesser than the SMS or voice prices. So, email we sell it at 1 paisa.
- Manish Poddar:** So, steady states that is the number.
- Gautam Badalia:** Yes, 0.6 paisa to 1 paisa that is the broad range. In some geographies we are able to sell it at little premium to 1 paisa. But largely as in and around at 1 paisa.
- Manish Poddar:** But the EBITDA per transaction is higher there.
- Gautam Badalia:** Yes, what we make about is 85% gross profit, EBITDA would 30+%.
- Manish Poddar:** Thank you so much.
- Moderator:** The next question is from the line of Rajesh Kothari from AlfAccurate Advisors, please go ahead.
- Rajesh Kothari:** Hi, Thanks for providing an opportunity. Sir, first question is regarding the product business. What is the third quarter product business revenue?

- Rajdipkumar Gupta:** Rajesh, go to slide number 25 as on the segregation over there.
- Rajesh Kothari:** Okay, it is not in front of presentation. But it is okay. So, what is the approximate size or what is the product revenue in third quarter?
- Rajdipkumar Gupta:** New product revenue?
- Rajesh Kothari:** No, total product revenue.
- Gautam Badalia:** INR 277 million.
- Rajesh Kothari:** Correct, Rs.27 Crores for the third quarter, I am right?
- Gautam Badalia:** That's correct.
- Rajesh Kothari:** So, basically when do you think than the operating leverage will play out. Because as your product business increases significantly there is a significant scope to improve the growth margin, correct me if I am wrong. If I remember we discussed in last time. So, how do you see that too in a pan out over next say 12-18-24 month. What is our strategy to improve this product range?
- Rajdipkumar Gupta:** If you see overall adoption of Omnichannel which is we get very early stage as if today. We are the Company have already developed all the APIs whether it is WhatsApp, Viber or RCS or emails, it's also in-house API we have right now. As on when the market gets keep on increasing, we will start getting more traction from the enterprise customer. The beauty about Route Mobile is like we are not just selling WhatsApp in one country. We also sell Viber, Truecaller and WhatsApp kind of an archaic solution. So, our market is a global market and if you go to Indonesia, I think there might be different ChatBot requirement as compared to Bangladesh or India. So, I think adoption ratio as of today for the Omnichannel is getting increasing day by day and we will definitely be the beneficiary of this as soon as more adoption more keeps on happening. And you can see this ratio in India's one quarter.
- Rajesh Kothari:** Okay, so, it will lead to implementing in gross margin, am I right?
- Rajdipkumaar Gupta:** Yes, definitely.
- Rajesh Kothari:** Do you think, this number on an annualized basis, over a period of say 2 years also is potential that the revenue can double?
- Rajdipkumar Gupta:** Yes, it can be triple also not only double.
- Rajesh Kothari:** I mean that happens to that, what happens to the gross margin?
- Rajdipkumar Gupta:** That definitely increase, as we also say that we are definitely working towards raising our gross margin to range of 30% and we are definitely working towards new product and other operative solutions will definitely going to give more margins. And we are looking forward to reach 30+% gross margin in coming days.
- Rajesh Kothari:** Perfect. My second question is considering the recent sell off in the global market in particularly technology kind of stocks. Are you getting the acquisition opportunity now at much reasonable or attractive valuation or you think asking price is still very high benchmark?

- Gautam Badalia:** So, at this point in time there are active discussions happening. Were there targets who are looking at it more from a global strategic standpoint and they are looking at partnering with an established player. So, we are getting a lot of such discussions which are happening. And the valuations are definitely more palatable than more it was say about 6 months back.
- Rajesh Kothari:** Do you think from that valuation standpoint they are becoming what I would say on zero to hundred scale how do you rate it?
- Gautam Badalia:** I think valuations are becoming palatable and it will be accretive from our perspective.
- Rajesh Kothari:** I see, as you say within like 3-4 months you will be using this capital, which is there in balance sheet?
- Gautam Badalia:** Yes, some part of this capital we will be using it in the foreseeable future.
- Rajesh Kothari:** And my last question, from the disruption perspective every day new technology comes up and makes the old technology obsolete. Are you seeing any significant changes in the industry at global level? And how you are positioned to make sure that we remain distributive for others rather than getting distracted?
- Rajdipkumar Gupta:** If you see our new earlier said Omnichannel adoption is still in its very early stage. Whatever we are building is getting adopted right now. So, there is nothing called as disruption, these kinds of technologies going to be used more often in coming days. So, let's let the adoption complete and then dissection will happen. So, we as a Company already ready with all our APIs which gives us a lot of advantage to sell our customer and new set product. I think what we see right now is like there is no question disruption right now it is adoption scenario on the new technologies.
- Rajesh Kothari:** Great, thank you Rakesh and Gautam. Good show, great performance and all the best.
- Moderator:** Thank you very much. Ladies and Gentlemen, due to paucity of time that would be our last question for today. I will now hand the floor over to the Management for their closing remarks. Thank you and over to you.
- Rajdipkumar Gupta:** Thank you everyone. Have a nice evening. And if you have any question, you can definitely write to our Gautam and team for the clarification. Thanks once again. Take care.
- Moderator:** Thank you very much. Ladies and gentlemen, we thank you for attending the conference call if you have any further queries, please send an email to investors@routemobile.com or gaurav.g@conceptpr.com.