



Accelya Solutions India Limited  
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**ACCELYA SOLUTIONS INDIA LIMITED – ANALYSTS / INVESTORS MEET**

September 12, 2024 AT 3.00 P.M. IST

**Management**

**Gurudas Shenoy**  
*Managing Director*

**Uttamkumar Bhati**  
*Chief Financial Officer*

**Ninad Umranikar**  
*Company Secretary*

**Ninad Umranikar**

Hello and welcome to the analyst meet of Accelya Solutions India Limited.

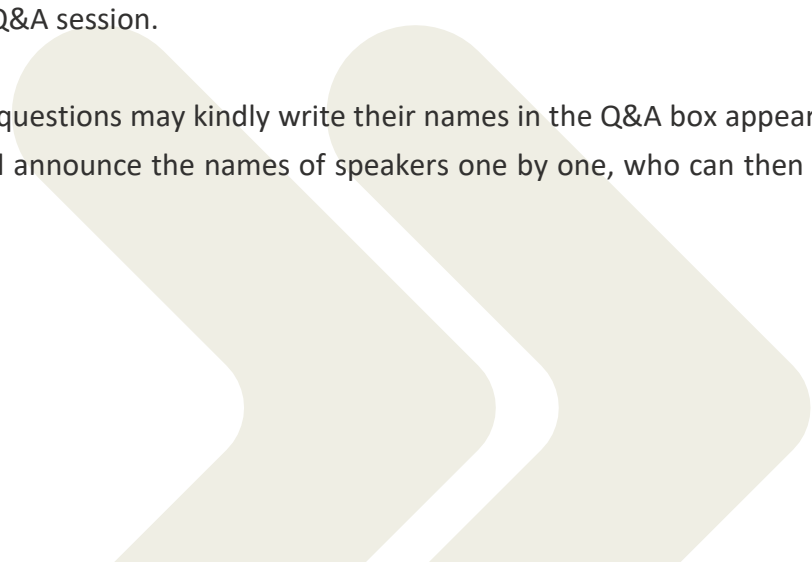
I am Ninad Umranikar, Company Secretary and Organizer for today's meeting.

We have with us Mr. Gurudas Shenoy, Managing Director and Mr. Uttamkumar Bhati, CFO. For information of the attendees, this meeting is being recorded.

We'll begin this meet with an overview on the company's business and comment on the performance for the year ended 30th June 2024.

This will be followed by a Q&A session.

Anyone who wants to ask questions may kindly write their names in the Q&A box appearing next to the chat box. We'll announce the names of speakers one by one, who can then ask questions.





While asking questions, we request you to keep the medium of language as English. In the interest of time, we request you to keep your question short and precise. With this, now I hand over the proceedings to Mr. Gurudas Shenoy.

**Gurudas Shenoy**

Hello. Good afternoon everyone.

I hope you are able to hear me and Ninad as well. Please, if you can just type in the chat box Yes that you are able to hear us and we can start.

This is Gurudas and you can call me Guru. I am the Managing Director of Accelya Solutions. In my previous role I was the CFO of this company up till 2021.

Many of you must have, or your colleagues must have interacted with me in my previous role over the years and I'm now happy that everybody is here and we can talk about the company as well. I see a lot of new names as well.

So, what I will do is I will just give a brief introduction about the history of Accelya. As you all know we started life as Kale Consultants Limited in 1986. It was a Pune based company, was a very small company doing a lot of work for regular IT services and banks. In 1999, we got listed and in the year 2000 we started focusing on the travel and tourism industry, airlines in particular were our customers.

Before that, we were doing a lot of things around banking and services and from beginning of 2000 we focused ourselves on the travel industry.

In 2007, we acquired a small company called Zero Octa and in 2010 our Company got acquired by Accelya, a Spanish company. Then we changed our name to Accelya Kale. Subsequently the name 'Kale' was dropped and we changed our name to Accelya Solutions India Limited. In 2017, the whole Accelya group, the parent and the entire group got acquired by Warburg Pincus, private equity firm from the prior private equity owners Checkers Capital and it became a larger group along with another company called Mercator based in Dubai which was already owned by Warburg Pincus. Accelya has now its presence in Spain, UK, Dubai and India.

Subsequently in 2019, the whole group again was acquired by Vista Private Equity from Warburg Pincus.



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Vista is US based large organization with almost USD 100 billion assets under management and they bought Accelya under the perennial fund which means they have a very, very long term view of this company and the investment criteria is based on size. Post acquisition of Accelya, Vista acquired another company called Farelogix, based in Miami, USA. Farelogix has become part of the Accelya group and is now called Accelya US Inc.

So, all these companies put together this part of Accelya. We have a worldwide footprint. Accelya Solutions the listed entity is located in India. We have our offices in Mumbai, Goa and Pune. This was a very short brief about our Company and I will pass on the mike to Uttam. He will brief you about the business and the financials of the company.

#### **Uttamkumar Bhati/Gurudas Shenoy**

Thank you Guru. So when we look at the solutions portfolio of the group, we can see that the group provides services in the area of offer order, settlement, industry and audit and air cargo solutions. The offer and order areas are largely provided by Accelya US, which is a group entity. Services which are provided largely from India are in the area of settlement mainly related to passenger revenue accounting. There are certain other services which India also provide in relation to audit services and industry services.

The cargo services are largely provided from Accelya Middle East, so there are different solutions and IPs which are owned by different entities in the group and the Indian entity is specialized in passenger solutions which falls under the financial services.

When we look at the industry trends and I try to focus mainly on the services provided by the Indian entity i.e passenger revenue accounting services. Here we see that Airlines need these special service providers who can help them do their revenue accounting.



Just wanted to highlight what does revenue accounting mean? Whenever we say anybody buys a ticket that needs to be accounted in the airlines accounting system, it can be any accounting system, but they also need a specialized software or solution who can manage the volume and complexities of calculating revenues, accruals, payables before it goes in there ERP like say Oracle or SaaS. We have our flagship product called Revera, which is used in providing services. We provide solutions in three models: one is license, the second one is the hosted and the third one is fully managed or outsourced services. Over the years, the services in the form of license have reduced. The focus of company which is largely providing services in the form of hosted and outsourced services.

So, when you look at our revenue mix, we see that we have revenue coming in from all three categories of service models, but the primary focus is largely on the recurring revenues, which mainly comes from hosted and outsource services. When we look at our revenue profile, we see a lot of resilience. We see that majority of revenues are recurring in nature which provides stability and visibility. Many of our contracts include minimal clauses, which provides downward protection and upside when customer volume increases. This has significantly helped us during the COVID period. Our revenues are diversified. So they are spread over multiple customers and geographies. There is no large dependency on a single customer or top customer or geography. Our revenues are largely spread over all the geographies and there is no major seasonality in our revenues. When we look at our customer base, it is a high quality customer base.

The contract duration ranges from three to five years or more in some cases. Our revenue comes from large customers, but we are also serving medium and small customers.

There is a low churn in our portfolio. Pricing is not a concern for our customers as we provide critical services to airlines, high value added services for our customers. Our top customers are more protected from bankruptcies than other airlines as they are strategic for the recovery in their countries. So when we look at our revenues we see there is a lot of stickiness and this is also true with our competitors because these are highly complex systems which an airline doesn't change over a period of time. So once you have a customer, that customer is there with us for a longer duration. Selling cycle in this business is quite long or medium. There are RFP, RFIs and then there are technical discussions after which vendor is selected.



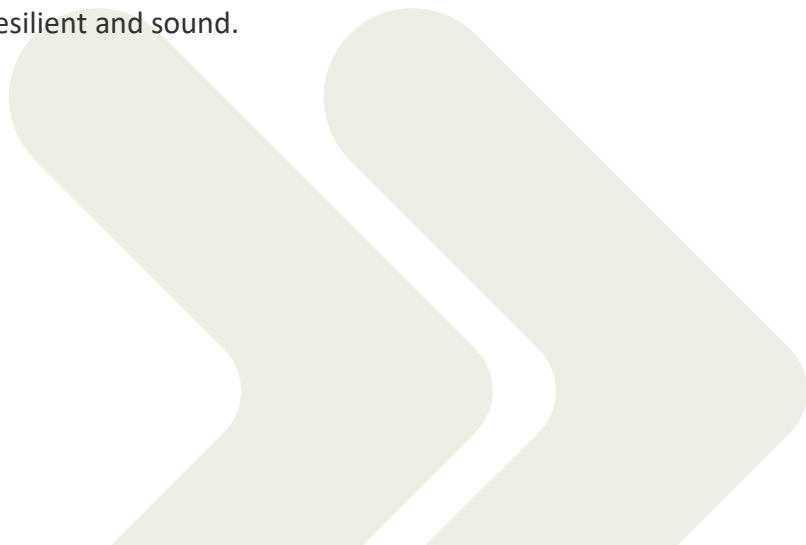
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Implementation takes time depending on size of an airline and complexity involved customization. So after spending so much time, energy, effort and money, usually airlines do not change their service providers quite often. Almost 90% of our revenues come from exports while 10% are from domestic customers. We provide outsourced services as well as say hosted and license. So most of our revenues come from outsourced services. The industry understands hosted solutions as SaaS model. We call it as hosted. Outsourced service is the BPO.

In terms of the P&L, since we are investing heavily in our IPs and products and use those to provide services, as our revenue increases, there is no linear or direct relationship in our cost. So we get benefit from the operating leverage. Our margins are consistent and they have been predictable over the years. We have been maintaining high EBIDTA margins. We have been investing in our products to meet the industry standards.

In terms of our cash flow, we are highly cash generating company and pay regular dividends. For the current year the Board has proposed a final dividend of Rs. 40 per share and had paid an interim dividend of Rs. 25 per share. So, the total dividend for the year would be Rs. 65 per share, subject to shareholders' approval in the AGM for the final dividend, which is in line with the previous year.

In terms of our operations, we have been cash positive and that shows the resilience of the business. When we look at the last 3-4 years, when we got impacted with COVID, we were still profitable and cash positive. This is one of the important points which I want to highlight that the Company is very resilient and sound.





This is largely in terms of the general update and when we look at the revenues for the current year FY24, which closed in June, those were higher by almost 9% - 10% and we can see the same trend in our operating profits. Because of the high cash generation, we could declare a dividend of Rs. 65 per share for the year.

In summary, when we look at these services, which are provided from Accelya Solutions India Limited, they are largely in the areas of passenger revenue accounting. The P&L is quite strong and there are other services which we provide which are like industry services and audit services as well.

We have IATA as our customer for SIS. We provide the SIS services to IATA. We provided the software to them and we do the hosting and the maintenance of that as well. So this was a brief introduction to the Company's business background, current financials.

## **Gurudas Shenoy**

So we will open it now. The Q&A session we will wait for couple of minutes to enable the attendees to provide their names in the Q&A box for asking questions.

We are not making any presentation on the screen. We have uploaded all the presentations on our website in the investor section. You can refer to those. So whatever Uttam explained about our business and the company and what we do, as Accelya and the distinguishing between Accelya and the businesses of the group that is clearly highlighted in the presentation that we have on our website.

## **Gurudas Shenoy**

**The first question is from Rajneesh**

## **Rajneesh**

Hello. Good afternoon everyone. I am following this company for quite few years now and for last few quarters there's no increase in top line as well as bottom line of the company after acquiring so many companies. But the business is not growing as per the expectations. So what is your take on that for? For your future outlook for like 2-3 years?



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### **Uttamkumar Bhati**

Just to clarify that we don't provide forward-looking guidance, so we'll not be able to confirm on next 2-3 years and quarters how the performance will look like. Having said that, if you look at revenue accounting, it's on the verge of transformation where airlines are now moving to being a modern retailer, which means that the traditional revenue accounting, what they were doing will be moving to an order accounting, which is slightly complex than what they do traditionally. This is one of the major events.

### **Gurudas Shenoy**

To add to that, it is not a question of accounting, it is mostly about how the industry is moving. So right now everybody, the whole industry is following a ticketing model and slowly we are going to a one order model which is going to eliminate, in the due course the ticketing and industry is going to move to one order model where everything will be One Order and we move from the ticket side of a business.

So basically, if anybody right now is purchasing a ticket, everything comes as a PNR.

But the future is that everybody wants to be like a retailer. So every airline would want to be like Amazon for example, and they would want to bundle a lot of other services along with the plane ticket. So earlier there was 1 ticket for the main ticket, one ticket issued for any additional services that customers used to buy.

But now all that will be clubbed under the One Order umbrella and where Airline will be able to offer not only the main core flight but along with that their own ancillary services like advance boarding, additional baggage, extra seats, preferred seats and hotels, holidays and taxis, car rentals etc. All that will be bundled into One Order. So the industry is moving towards One Order.



So what we see is that when you have a One Order, there will be also a requirement for the order accounting, which will be like the end fulfilment of the order. So, if you look at the whole cycle, there will be an offer that will produce then the order which will be actually executed and then the back end. So offer will be the front end, order will be the mid end and the back end will be the order accounting. So Accelya Solutions is well placed in the Order Accounting space where we are now investing in products for moving airlines or anybody who wants to go in for order accounting and who have actually the road map to go to One Order., we will be the provider of order accounting.

So like Uttam explained, we are part of the Accelya group and our group is focused on the whole airline retailing process where the industry is moving to and our associate companies actually are focused on the Order and Offer & Order part. So we'll, complete the whole picture where any airline who comes to us as a group for the Order and Accounting, the Offer and Order part will be fulfilled by one of our group company and the Order Accounting, like the revenue accounting, part will be fulfilled by Accelya Solutions India. So this is how the whole picture will pan out. So at current stage we are seeing a lot of airlines looking at moving to Order Accounting and to One Order. We are also looking at a few pilot customers to launch this Order Accounting.

When Order accounting is bundled with any other product of the parent company, it is a win-win situation for the airline as well.

To add, in the last few years, the industry got heavily impacted with COVID. So airlines had their cash flow issues. Now they are coming out of it. They are trying to look at the improvement projects and also like I was explaining that currently there is a transition which is also been happening in the industry where some players are moving to Order Accounting. We see that as airlines evolve, they will take up the Order management processes. There will be a need for Order Accounting which will help us to gain new customers or provide our services to the existing customers.

**Rajneesh**

Well understood.





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So my next question regarding like last year, you lost the business of Air India and did you add any other logo in the last quarters and can you also give the detail of the business of Farelogix? How Farelogix is going on and what are they doing actually?

### **Uttamkumar Bhati**

Last year we lost Air India as we released press release earlier. So our revenues ended from them for passenger revenue accounting in April 24. We also added logos. It's a routine thing but cannot disclose the names as we need permissions from the clients. Having said that, would request Guru to explain the Farelogix services so that it gives a colour on that business.

### **Gurudas Shenoy**

So as Uttam has explained, Farelogix is not part of Accelya Solutions India. It is altogether a different company. It is now called as Accelya US. It is part of the Accelya Group. It is an associate company of Accelya Solutions India and it is also owned by the parent entity as part of the Accelya group. So there are various business entities in Accelya group, which have a different verticals. For example, Accelya India focuses on revenue accounting and SIS IATA products. Mercator which is based in Dubai manages the cargo part of the business. We have the Spanish entity which has a major role to play in the BSP for IATA which is a big service provider for Airline industry since last 40 years. Farelogix which is now called Accelya US is the provider of the NDC solutions to Offer and Order. So that's a different set of products offered by Farelogix to the customers. They have their own customers. We want to clarify here again to be very sure that Farelogix is a different business part of the Accelya or Accelya Group, but the revenues, what they're directly getting now is part of their existing products that they offer to the airlines and that is not part of the listed entity here which is Accelya Solutions India. That's a different business, but like I explained, over the years when we are projecting as Accelya group to the customers, if there is an airline which chooses the entire end to end product, right now they are choosing the Offer and Order model of Farelogix and taking their services in a big way.



The large airlines in the US and major airlines in Europe are all using their Farelogix products. You must have seen the LinkedIn and other posts that have come in, so those are directly related to that entity, not related to the Accelya Solutions India. But in the future if there is a customer who goes for an end to end product at that point of time, it will be like a joint product that will offer to the airline where Offer and Order will be delivered by Farelogix and Order Accounting will be delivered by Accelya Solutions India.

## **Rajneesh**

Well, understood.

So just another last follow up question. Just want to ask, you don't want to give the forward-looking statement, but can you please explain from where you are looking for the revenue growth in your company in coming quarter? Which part of the your business will give you the revenue growth?

## **Gurudas Shenoy**

This is not only about coming quarter or year. As explained, never in the past have we given any guidance as to happens in the quarter or year. As I said, directionally, we told you about Order Accounting and that's the next big wave. Few years back or say the last decade, we had airlines move from physical ticketing to eticketing, that was one big way where we had got a lot of customers and we saw a lot of change. So over the years we see the next level of wave coming in the form of Order Accounting. That is the direction which we can provide to you. Of course, internally we see growth coming from increase in passenger revenues. As I mentioned, we are doing per transaction revenue. So when we do hosted or when we do BPO outsourced services, revenues are directly linked to the transactions of the airlines. We bill on transaction basis and when the airlines revenues increase, there is an increase in volumes, accordingly our revenues also grow up in the same proportion with the increase in volumes / revenues of airlines. So that's what actually happened during COVID when the volumes come came down, our volumes came down. But we have actually seen now a lot of our airline customer have recovered their volumes that have come almost at 80-90% of their pre-COVID volumes. So we see good growth coming in from there and there are many airlines who have not actually come up to the COVID levels. So they are still at 60-70% of their pre COVID levels.



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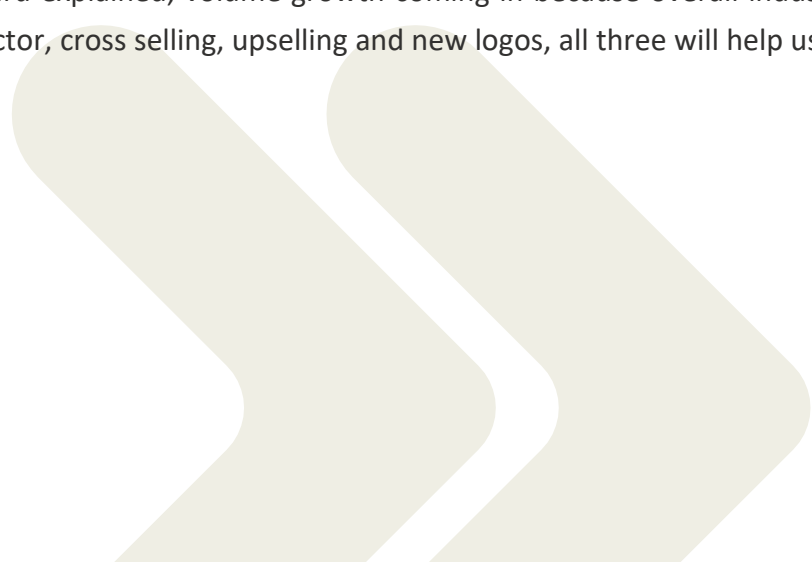
So basically, if they go up to their volumes once they get their planes back in the business and act together, we see that volumes will also go up and since our revenue is linked to the volumes, we'll see our revenue also go up in the same proportion.

So that is the basic model that we have. Not for this year, next year or previous year, it has been historically seen or whatever, increase has happened over the years or will happen or can also come to a good extent from the revenue growth due to the volumes and of course then we see opportunities where an airline is actually using a hosted model or SaaS model and they want to move to a BPO model. So if they move, from that point of time to a BPO model, the revenue per transaction is slightly higher in the BPO model. So there we can see good revenue coming in and of course we have almost 400 customers in the group. So any customer there is a cross selling opportunity that we get in, we will be able to grab that. However, having said that, as we explain, the next level is coming to order accounting. So airlines might not take that decision so fast to change into a new revenue accounting model.

So new customer wins will be based on when airline moves to Order Accounting. If there is an airline for example, a lot of LCCs, they don't have too much of revenue accounting. So they will have to move to the Order Accounting soon. So we see, revenue or new wins coming in from that space as well. So this could be the possible areas from where we could get new business over the years.

### **Uttamkumar Bhati**

Just to summarize, like Guru explained, volume growth coming in because overall industry volumes growing is one factor, cross selling, upselling and new logos, all three will help us to grow our business.





**Hetvee Marviya**

What percentage of the revenue is volume dependent, but so I think according to what you mentioned, is it fair to assume that 100% of your business in terms of hosted or in terms of managed services is based on the number of transactions or volumes that happen.

**Gurudas Shenoy**

Without going into the actual percentage, I would say a significant portion. But of course, every year there would be some revenue coming in from an old customers who are in the license business as well. As you know, we'll have some custom development because when we offer our product, so as I we explained, we are a product focused company. We don't do any services, pure play services. We do not offer anybody, so we are not into that model. So everything is coming from the transaction and from our own product. But lot of times customers also keep on requiring additional customizations for their existing products depending upon their local requirement. So we have some customization revenues or if there is any new customer who has come in, there is a one-time implementation revenue, but that is also a one time revenue which may not occur in the next quarter or the year. So this is how broadly our revenue mix would be. But of course on a recurring basis, as Uttam explained, a very large portion of our revenues would come in from the recurring which is the SaaS model in the BPO model.

**Hetvee Marviya**

Sure. Thank you.

That is helpful and just a follow up question that I had on the Order Accounting. So when we see this change, the new customers that we're expecting, can you brief a little bit more about what kind of players are they working with today currently like, do they have GDS systems which are currently worked with Amadeus or Sabre and then they will convert to us? Or are these going to be the existing customers that shift? And so we'll get additional revenue.



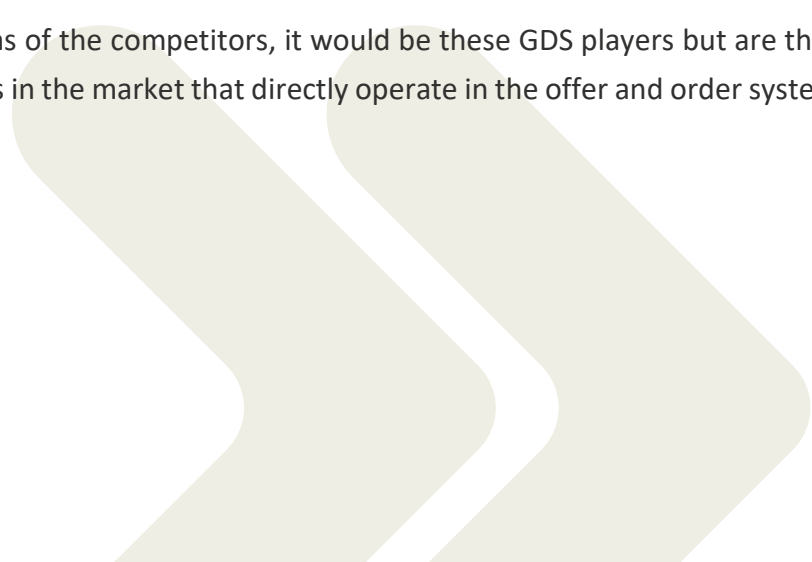
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### **Gurudas Shenoy**

So that is independent. Airlines will have to have a GDS like Amadeus or Sabre which they are in the GDS model. So when they move to a Offer and order to model, so they'll have to move or some part of their. It's not that they actually shut one, line and open the other. A mechanism where they have multiple options to retail their product so they can have some of their fares on GDS and they can choose to have some of their fares on the offer and order model also. So it'll all depend on the airline. But we never know where the revenues will come from. So it can be actually with a competitor or airline who's actually doing revenue accounting himself. If they're not a large player, and if they prefer to do that themselves, they also must have their homegrown system, because what is happening is, in the Airline industry the technology has been very old it's in the 60s and the 70s, so. Much of it has not changed. Everything is, status quo for the last 4-5 decades. So now when Order and Offer & Order comes in, that is going to be the next game changer which airlines will have to think very differently and if they have to project themselves as an airline retailer and not just a provider of seats then the whole equation will change and that is where we see the next wave coming on for players like us. Of course, the GDSs will have their set of customers, so there will be competition always from the GDS who want to offer the similar suite that they have, so Amadeus for example would also have an NDC offering and they would also give an Order Accounting. So Airlines might choose to actually have the GDS from Amadeus and go to a third party player or continue with Amadeus if that's the case. So it's all up to them and their strategy.

### **Hetvee Marviya**

So just to understand terms of the competitors, it would be these GDS players but are there any other new competitors in the market that directly operate in the offer and order system?





**Uttamkumar Bhati**

So this is something which is evolving currently. So the legacy computers will be there, like Lufthansa, Sutherland, Amadeus. So as the technology evolves, probably we can see few more competitors. It is very difficult to say currently who will be a meaningful competitor in coming period in the area of Order Accounting.

**Gurudas Shenoy**

But for Offer and Order I think the group company has a very large share of the market and of course they have the top airlines in the US as their customers. So we are well placed that sense.

**Vinith Jain**

Hello. So my first question is related to the domestic market where you mentioned that we are at 10% of revenues coming from the domestic market, whereas also we know that we lost our major client in the domestic market in the last financial year. So we might not continue to have such a large revenue from domestic market in the next financial year or it could be very minute.

**Uttamkumar Bhati**

Yes, since Air India was one of our significant customer and this is what we have already communicated, significant portion of domestic revenues were from Air India.

**Vinith Jain**

So apart from that I asked for do we have any other airlines or it was only the Tatas for whom we were doing the major work?

**Gurudas Shenoy**

We were doing work for Air India much before they got acquired by Tata. So like last almost 20 years Air India was our customer. And if you look at the Indian market, it was largely LCC driven market which is now being evolved to see a hybrid or a full-fledged airlines. So our presence was largely in full flesh airlines market. Of course, we don't comment on the individual airlines who are going to be a customers or if there are any prospects. That is a policy we never comment on.



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### **Vinith Jain**

Got it, got it. Then coming to the One Order where we are expecting a lot of future because as you said the airline industry has not updated itself for a very long time. And I also see that the parent has been implementing a lot of NDC related programs for many of the larger airlines. So when these airlines are in talks with the parent company to implement the NDC. Why is it that the One Order aspect is not discussed? Or where are we lagging and why? The kind of contracts coming to the group is only the NDC implementation and not the revenue accounting.

### **Uttamkumar Bhati**

So when you look at, it's a bouquet of services starting from NDC under Order management going to Offer and then to Settle part where we do the Revenue Accounting. So if an airline already has a revenue accounting solution, probably they can still sell their tickets, do the distributors through NDC or GDS and do the revenue accounting. So it all depends on customer's strategy and their plan for vendor management, whether they want multiple vendors or single vendor and how they look it from that perspective to see that whether they want to have everything done from one or through multiple vendors.

So for example, NDC services can be provided from an Accelya group entity, but revenue accounting can be still done by other players, or if there can be a case where the GDS is providing distribution services and we are doing Revenue accounting. So all combinations are possible, it all depends how airline looks their internal process and what their strategy is in terms of managing their solutions and internal processes.





**Vinith Jain**

So just to understand here, all this business which is happening through the NDC channel, they must be using the new One Order revenue accounting or they may not?

**Gurudas Shenoy**

No, not necessary. This is in a nascent state right now. It all depends on what revenue accounting solution each of them have. For example, when we are talking to our existing customers, so I am getting revenue for accounting purposes as a transaction for me from all the sources. So if they are getting business from NDC or they are getting it from GDS or they are getting to any other channel, so regardless of that it is counted as you know revenue, it is counted as volume and I got revenue. It's not that there is a separate revenue accounting provider for NDC, and there's a separate revenue accounting provider for offline or the traditional model. So all the entire revenue is managed by one revenue accounting player generally in most of the airlines. Even for our existing customers, they must be also having some NDC. It is not necessary that they need to have an NDC from Farelogix. They could have their own system provider for NDC. But that revenue is flowing to us because it is, we have to account that as a revenue transaction in the regular system as we do it in the traditional course. And just to clarify that One order is evolving where airlines want to become a modern retailer. They don't want to only sell a ticket. They also want to sell a city tour or taxi or other things. And this is going to evolve as we speak. As One Order evolves, Order Accounting will evolve and I think that's a journey which you will see in coming years.

**Vinith Jain**

And you mentioned that you are doing some pilot projects. What stage are you? What to look ahead for from this pilot projects?

**Gurudas Shenoy**

No, I said we do not provide any forward-looking statement. We can tell you we are investing into the Order Accounting platform. So we have already started creating the product. So at what stage which customer will come in and when we do the pilot, we'll not be able to give any guidance on that.





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**Raunak Onkar | PPFAS Mutual Fund**

Thank you for the opportunity. I just wanted to understand because you mentioned that you only fulfill a small portion of the overall work that is given as compared to the entire ticketing system, can you clarify as to what percentage of work, say for example, a customer spends \$100.00 of services, how much percentage of that comes to Accelya Solutions India Limited?

**Gurudas Shenoy**

Well, if you look at the entire IT system in the industry they have like hundreds of software that they'll have for different products and services. So there's a huge ecosystem that the airlines have and Accelya group is also into a few of them. So we have not only revenue accounting, we have cargo revenue accounting. We have revenue management also which is done by the parent entity, offer and order we spoke about. And there are some other industry services that we offer. Apart from that, there are other competitors who also offer One Order for the GDSs and the reservation systems, ticketing systems and all of that. So the airlines actually have a lot of spend on the entire ecosystem around technology, though the front office systems, the departure control systems, the back end system, the middle office sections.

So our presence as Accelya is only in the last part of the play, which is the revenue accounting. We do not have the exact number of what is a percentage that can vary from airline to airline depending upon the size of the airline. As of now, we don't have that details.





But of course, traditionally airlines have been the ones who have been, to go electronic much before the other industries and airlines have invested in a lot in technology services as compared to the others. So there will be almost some sort of a churn or the changes that keep on happening in the airline and it is a very fragmented place where people are just free to choose where they send their products and do an integration of that with the other services and that's where all this integrators will be able to help. In fact, there is SAP or the Oracle or the ERPs of the world, they are not into the revenue accounting. Our feed is actually because we provide when we do revenue accounting, we give the airlines a ticket level data.

Our revenue for each ticket is broken up into various sections, innovative segments as they require it for their accounting, for airport taxes, various taxes and that they have to break up if you see any added taxes and charges that are there and for each sector we give that revenue accounting.

So our data actually goes as a feed into the airline for their revenue accounting into the airlines ERP system. So this is actually a system as a specific revenue accounting function in which sits outside the finance function also. Within airlines, they also have some finance function and revenue accounting outside the finance section in many cases.

#### **Raunak Onkar | PPFAS Mutual Fund**

My question mainly was from the origination of work or of business for Accelya India, because there are two entities of Accelya Group in India. One is a private limited company and one is the listed company and if you see the revenue profile of both these companies are very different. The growth rates are very different. So I'm always concerned whether the revenue or the work only comes to Accelya India through the parent, or rather Accelya India, also on its own can win business and contribute to the ecosystem of revenue of the entire group.

#### **Uttamkumar Bhati**

So let me clarify. The IP for revenue accounting is owned by the Accelya Solutions India Limited. It has got nothing to do with the private company in India which is Accelya Services India Pvt. Ltd. So any business, whether we do it directly from the Indian listed entity or from the group, it comes to India or in essence to the listed entity for the revenue coming for the revenue accounting.



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**Gurudas Shenoy**

Just to add here, we have our own set of customers. So you asked about revenue coming from the parent entity. So for revenue accounting, we do not get revenue from the parent entity, it is our existing set of customers. Even before we were acquired by Accelya, even after all the customers that we signed are directly signing for revenue accounting with Accelya India and we invoice them and the contacts are directly with those customers. So for all practical purposes, even though we have multiple entities in the group, each entity will have their own IP and with the revenue of that service will accrue to that entire in entirety. That is the normal principle that we follow and of course the that the company which you mentioned is not part of the listed entity, that doesn't do any customer related work. That doesn't do any revenue accounting work. That only does some services Center of Excellence for the other entities in the group. So that is not a competitor or anything. They do not have any direct customer contacts, a contact service and in any case, if any group entity signs revenue accounting customer, the majority of revenue will flow back to the IP owning entity.

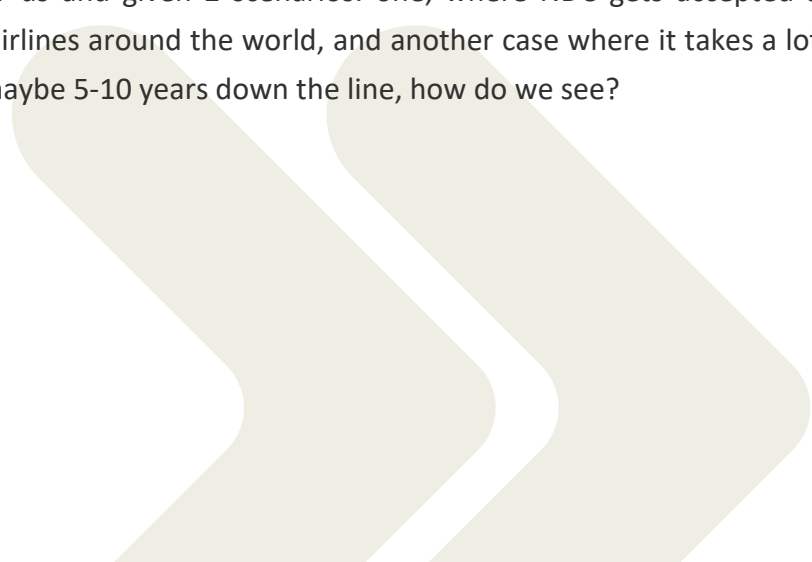
**Raunak Onkar | PPFAS Mutual Fund**

OK, noted.

Thank you.

**Ankit Kanodia**

So my question is only related to NDC, so just wanted to understand your take on this. How important is NDC for us and given 2 scenarios: one, where NDC gets accepted and adopted by a majority of airlines around the world, and another case where it takes a lot of time to get adopted, say maybe 5-10 years down the line, how do we see?





**Gurudas Shenoy**

I explained to you and this is not part of Accelya Solutions India which I've made very clear. That's a different business. NDC business is not part of Accelya. It is the first step towards the Offer and Order strategy. So that is one portion of the Offer part and that is very important because the retailing platform is going to be the next level for any revenue accounting or the order accounting player.

It is very integrated with the Order Accounting and that is where we see the change happening in the industry over the next few years. I will not say five years or ten years. Not that longer, but maybe in the next couple of years, two to five years, we'll see a lot of airlines moving towards the One Order concept.

**Ankit Kanodia**

So you mentioned in our opening presentation that IATA is our customer, right and they in their 2024 annual review, mentioned that the airlines have seen their distribution cost reduced by over \$100 million because of NDC.

**Gurudas Shenoy**

Exactly.

**Ankit Kanodia**

And they are also mentioning that. This is something which is now entering a majority phase, but we don't see anything like that in India. We only see, I think recently, only Air India adopted it. So can you throw some more light on that?

**Gurudas Shenoy**

That is on the NDC part, you're saying, right? So that, I mean it is not flowing into Accelya Solutions India. So I don't think I will be able to comment into that or any location specifically. But what we see is LCCs who have not been a big market for Accelya India because of the revenue accounting was not really required in LCC. We see if they move to NDC, then we can see a good market for the LCC will be opening up for us.



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There are a lot of challenges around that. But I think LCC market will also be like a big market for, I mean not talking about India or any other location, but generally overall in the world the LCC airlines can be a good potential for our company, both for the NDC as well as for the Order Accounting.

**PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

This is one question regarding the revenue accounting. What's the TAM of revenue accounting and what's our market position in revenue accounting globally?

**Uttamkumar Bhati**

So there were some estimation that sometime back probably that has not changed drastically. That is there on our website. The presentation which was uploaded in 2020.

**PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

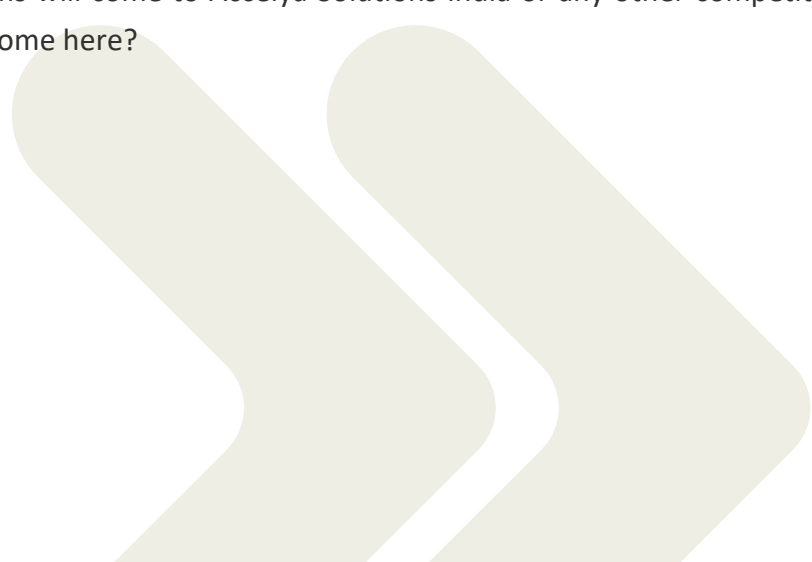
That's right. So it mentioned \$0.7 billion, right? So it remains the same, right?

**Uttamkumar Bhati**

Yes. So we have not revalidated. But I don't think there should be a drastic change in that.

**PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

OK. So in the presentation it is written that the largest market opportunity is to replace in-house systems with ASIL focus areas. So can you tell me? Can you just dwell a little further how these in-house systems will come to Accelya Solutions India or any other competitor? What will nudge them to come here?





## **Uttamkumar Bhati**

So if you look at the in-house system like Guru was explaining, airlines had automation or computerization way back in the 70s and 80s. So they had created system based on legacy technologies which are working till now for some of the major airlines as well. So finding those resources after COVID, that talent understanding of those technologies, it has become scarce. It has become costly now. The airlines which had developed this system in house at some point in time, will have to look at third party service providers like Accelya Solutions India for their revenue accounting solution because there is no point in creating a new system for them when you can have specialized services from third party service providers. Now this is the area and also since they have cost pressures before COVID and more so after COVID to optimize and bring in efficiencies, they will have to look at third party service providers who can do the services or provide them services what they need at much efficient cost rates. So this is something which keeps on happening and will happen over a period of time where the airlines will look at the third party service providers and choose one.

## **PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

OK, can you explain me that when will airlines replace the legacy systems of revenue with NDC? Suppose they offer and then they have to come to the company like Accelya Solutions India or any other company to implement NDC or can they can it in house by themselves.

## **Uttamkumar Bhati**

So there are two parts. Revenue accounting is different. That comes later in the stage when you do the settlement portion. NDC is the front end when they are distributing the tickets. So when Accelya as a group, now I'm talking about NDC by Accelya as a group, because NDC services are not provided by Accelya Solutions India Limited. When an airline chooses NDC and they want to implement it, probably the best implementer is Accelya group because we know the product better. And the adoption can be much faster.

## **Gurudas Shenoy**

Of course, like any other tool, any other software in the world, any anybody is free to choose to develop something internally or go to outsource provider. That decision will have to be taken by the airline. But of course it's a no brainer that any product which is industrywide accepted and has a much better customer acceptance to go in for that because we still have the economies of scale rather than dependent upon a team to start from scratch and develop a product.



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So these are engines and these are actually products we talk to and have APIs with the various systems and not only the systems they have to actually integrate with a lot of the travel agents eg. the Expedias and Makemytrips of the world to be able to offer their content. So since we are already working with a large airlines and not only we but any of our customers or any of our competitors if they have to, any airline you should choose, then they'll either take a decision on a product which is readily available and move faster than spending time and waiting in the market.

**PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

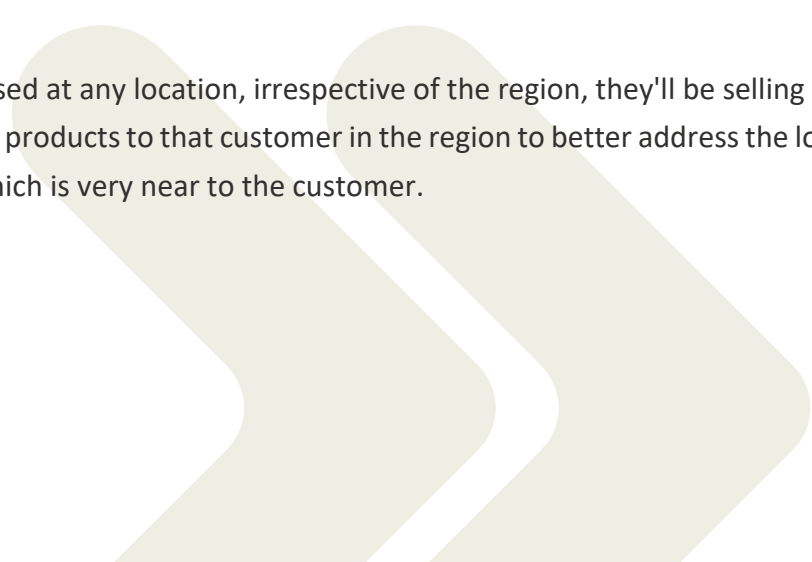
OK. OK. The last question was to get a new customer. Does Accelya India have its own marketing team or we are dependent directly to the parent global marketing team to get new customers for the revenue accounting?

**Uttamkumar Bhati**

So if you look at the services which are provided by the various entities in the group and the stakeholders to which they talk in airline, they are more or less same. So it doesn't make sense for us to have separate marketing and sales team by product, by region, by entity. To bring in efficiency, we have a region based sales and marketing teams who cater to all the entities and solutions by interacting with the customers which they are focusing mainly the sales team. In specific, the marketing team is actually a global marketing team which will conduct industry events and take care of all the social media and all of that. But again, those teams are common for all the solutions of the group.

**Gurudas Shenoy**

So whether the team is based at any location, irrespective of the region, they'll be selling the Accelya group's worldwide products to that customer in the region to better address the local market by a local team, which is very near to the customer.





**PREMAL SANGHAVI (VAMA FINANCIAL SERVICES)**

OK. And if you can share with top five customers would represent, how would what portion of revenue?

**Gurudas Shenoy**

So that is something we have not discussed currently.

**Koti-TrustLine**

Thanks for the opportunity. Can you please share the revenue contribution segment-wise like passenger relations, cargo solutions and industry solutions and margins also?

**Uttamkumar Bhati**

For the current year, we'll be mentioning those in the annual report(the revenue share)

**Koti-TrustLine**

And would you be filing presentations, brief presentations going forward? Because I couldn't find a presentation for the last two or three quarters through a company's website.

**Uttamkumar Bhati**

So there are no immediate plans, but we will look into it.

**Ninad Umranikar**

So I think everyone who had registered themselves and who had given their names for asking questions, I have now asked the questions.

We'll close this analyst meet today. Thank you very much for joining us.

**Gurudas Shenoy**

Thank you everyone for your time and participation.

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**Please note that this transcript has been edited for readability.**