

# INVESTOR Presentation

30<sup>th</sup> May 2022

**IRIS BUSINESS SERVICES LIMITED**  
Compliance, • Data • Analytics

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# ABOUT IRIS



01

# We are Regtech SaaS

## What do we do

We are in the  
business of  
Regtech

Our delivery  
mode is SaaS

## & therefore

That makes us  
Regtech SaaS

## How do we do it

- India's only listed Regtech SaaS

# About Regtech

## What is Regtech

- It is the use of IT to enhance regulatory processes.

## How it helps

- To Improve regulatory oversight (This segment is also called Suptech)
- To help businesses comply with regulations efficiently and less expensively

## Who is it for

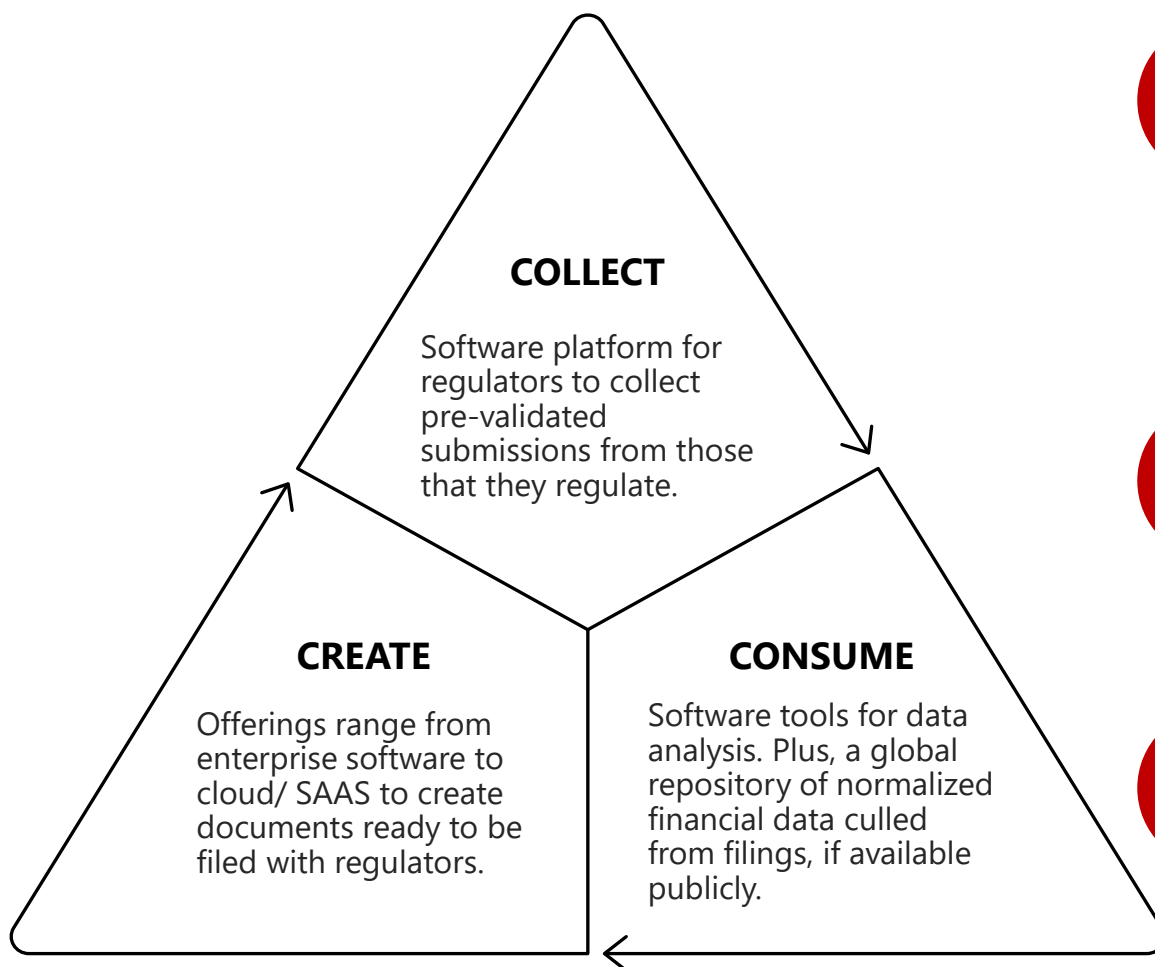
- Regulators
- Enterprises

- The global Regtech opportunity is projected to grow to \$ 33 bn by 2026. Source: Facts & Factors



# Our Regtech business

INVESTOR PRESENTATION



## COLLECT

- **TAXONOMY & CONSULTING:** Taxonomy design and development, Taxonomy testing and review, Training, R&D
- **IRIS IFILE : On Prem** Filing platform for regulators to help them receive pre validated data



## CREATE

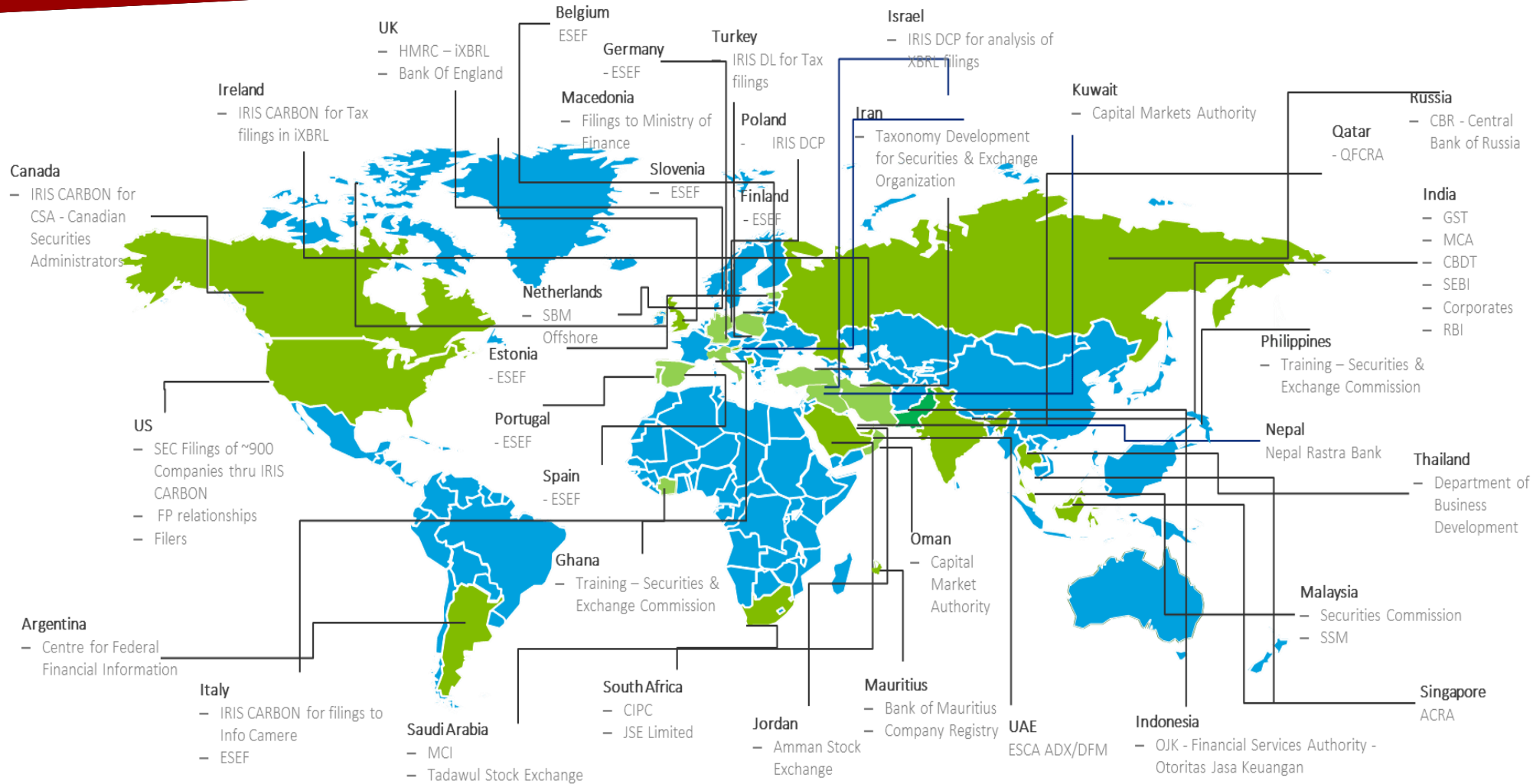
- **CARBON : SAAS** Document Authoring and Compliance Reporting Platform
- **IRISGST : SAAS** An end-to-end solution to facilitate GST reporting in India
- **IDEAL :On-Prem** Solution for banks to automate their reporting
- **EINVOICING: SAAS** Facilitates eInvoice creation and management, seamless integration with IRISGST



## CONSUME

- **Credixo : DAAS** GST data feeds to facilitate lending decisions
- **IRIS PERIDOT:** Mobile / DAAS App to verify GST compliance, similarly APIs to pull such data

# Our footprint



**41 Countries**

**30+**  
XBRL Projects

**300+**  
XBRL Experts

**Millions of**  
Filings



# MARQUEE Clientele

## BUSINESS REGISTRIES



## CENTRAL BANKS



## SECs & STOCK EXCHANGES



## FILERS / OTHERS



# What we do for Regulators

## COLLECT

Taxonomy Development

The development of a taxonomy is the 1<sup>st</sup> step in any XBRL implementation, it is a consulting opportunity.

We charge a one time fee with payment linked to milestones

Taxonomy editor

A software product to help the client maintain the taxonomy and make modifications as needed

Bundled with the larger project . Also available as a stand alone offering

iFile License Fee

A software product, an electronic disclosure platform to help regulators collect pre validated data

We charge a fee towards software licence plus AMC for duration of the contract

System Integration/Customisation

Integrating iFile with the existing systems of the client, creating workflow

Priced like a software project, payment is linked to milestones

Bushchat

A validator, a software product, crucial to ensure that the data is kosher before it flows in and for offline validation too




Bundled with the larger offering.

# Regulator implementations






## BUSINESS REGISTRIES

	Malaysia
	Mauritius
	North Macedonia
	Qatar
	Saudi Arabia
	Singapore
	South Africa
	Thailand

## Only Taxonomy

	MCA, India
	Regionale Vencia, Italy
	CAFR, USA










## BFS REGULATORS

	India
	Jordan
	Mauritius
	Nepal
	Qatar

## Unusual cases

	ATS, Maharashtra, India
	SAI India

## CAPITAL MARKETS

	India
	Jordan
	Kuwait
	Malaysia
	Oman
	Qatar
	Saudi Arabia
	South Africa
	UAE

# What is SaaS

## What is SaaS

Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. SaaS is also known as "on-demand software" and Web-based/Web-hosted software

## Says McKinsey <sup>(1)</sup>

The global SaaS market is expected to nearly double from \$220B in 2020 to \$540B by 2025 and could reach nearly \$1-trillion by 2030.

Indian SaaS companies could generate annual revenues of \$50-\$70 billion by 2030 and win 4-6% of the global market – a value creation opportunity of \$500 billion to \$1 trillion

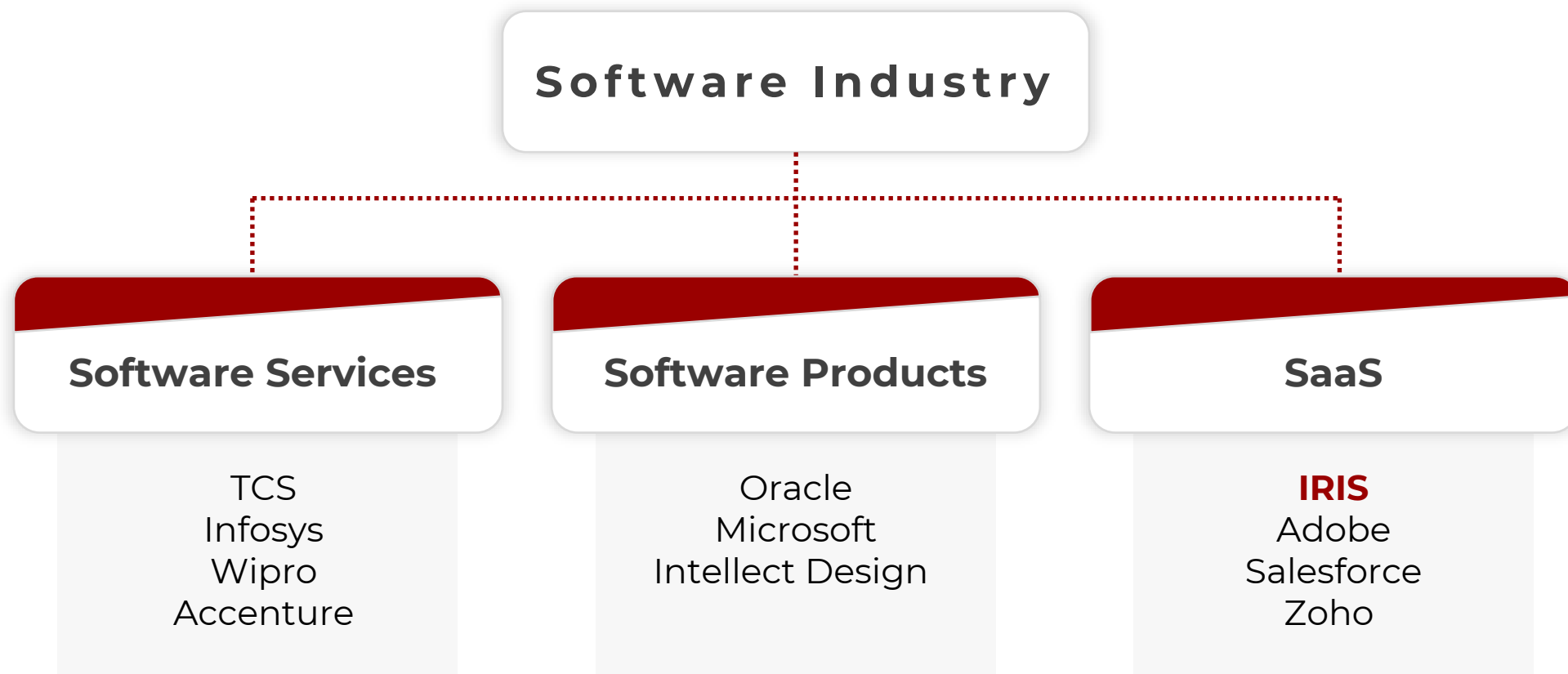
## Says Zinnov <sup>(2)</sup>

The SaaS industry is well positioned to overtake the well-established IT Services industry by 2030

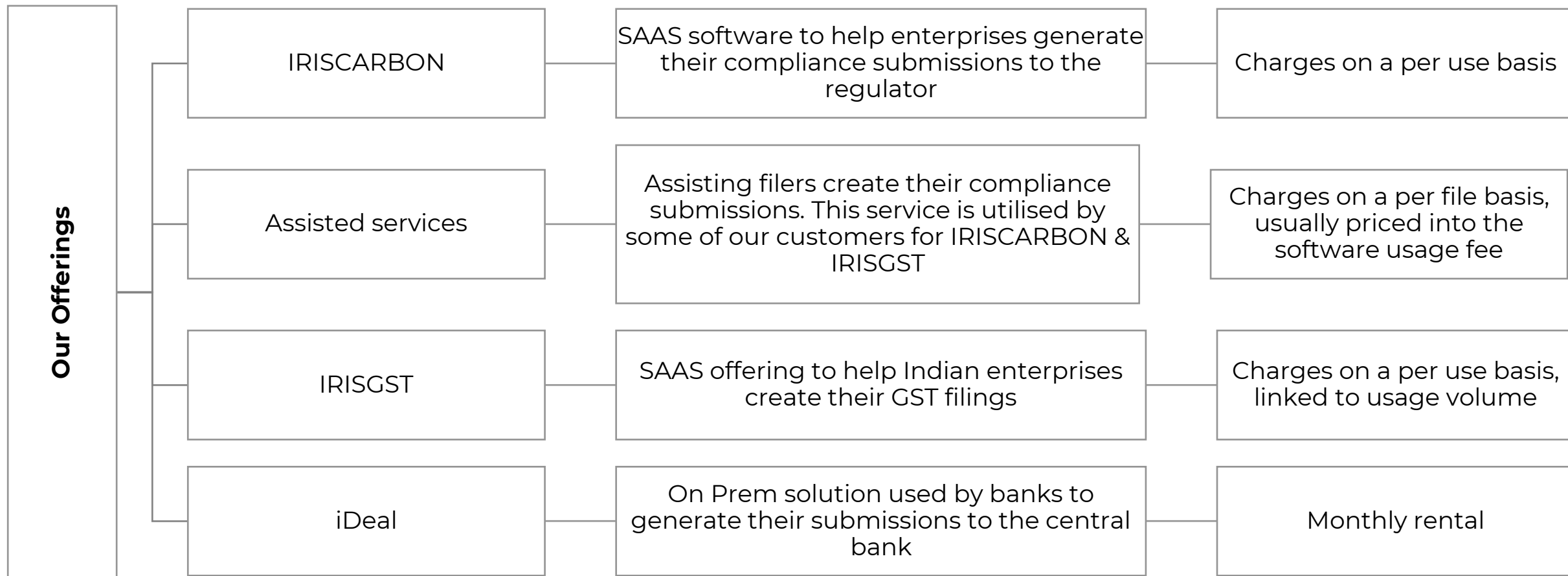
(1) Shaping India's SaaS landscape, August 2021

(2) Indian SaaS Revolution, Rising Trillion dollar opportunity, 2021

# IT companies

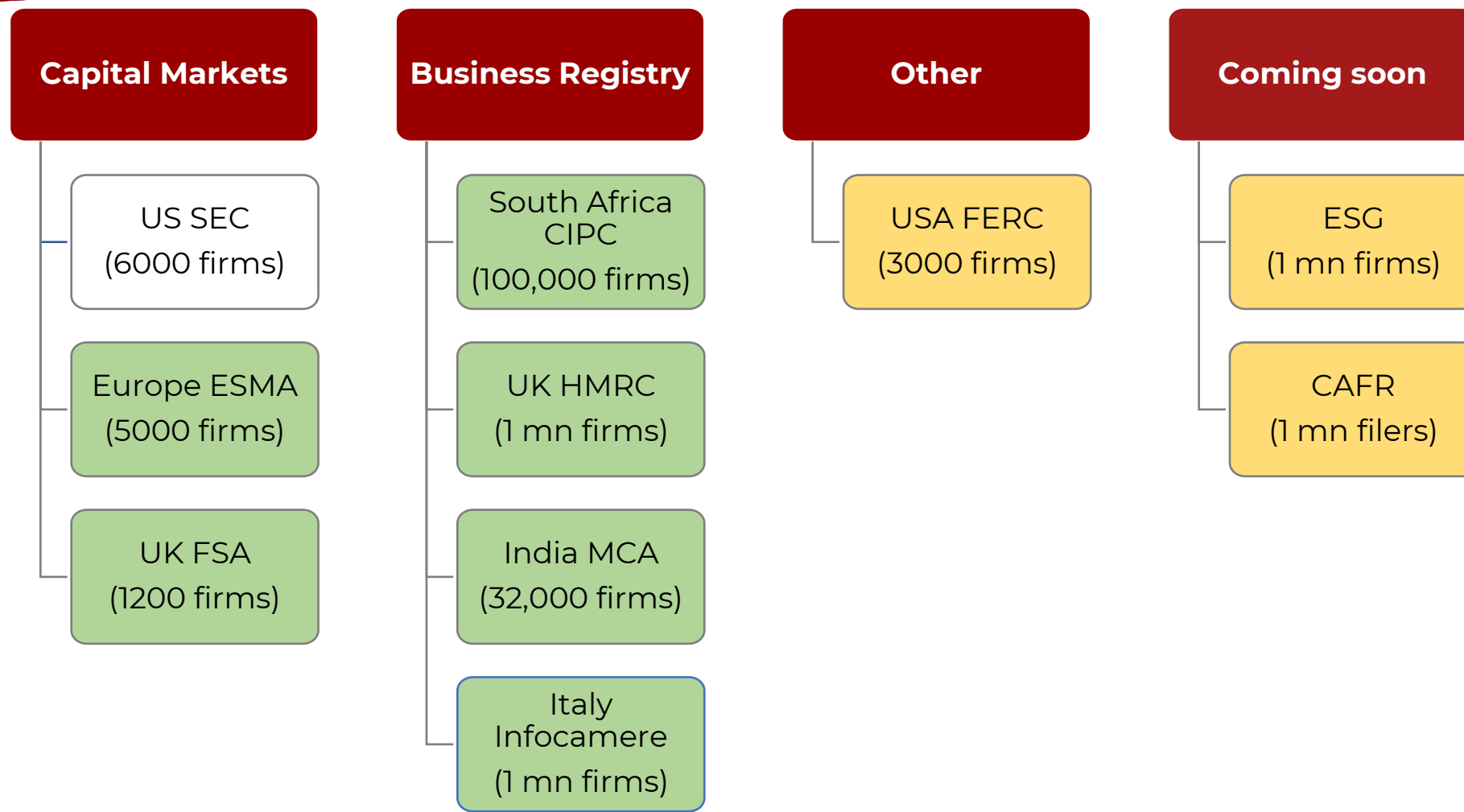


# Source of recurring revenues

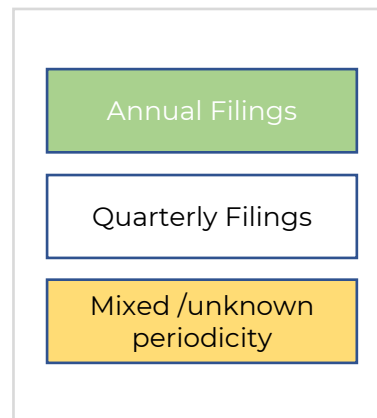




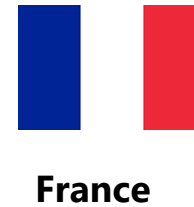
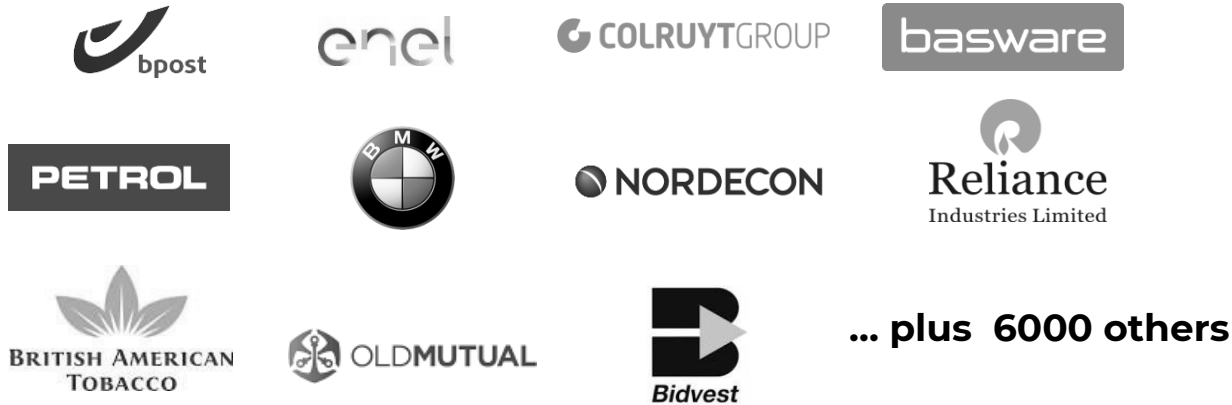
# IRIS Carbon: Our flagship product



Numbers in bracket is TAM



# IRIS CARBON Users



*"A big thank you to the IRIS CARBON team! It has been a real pleasure collaborating with you on our 2021 ESEF filing. We would definitely recommend IRIS CARBON to groups looking for a skilled and proactive ESEF filing service."*

**Sound-bytes from ESEF Customer**



[Gap Inc.](#) was among the first companies to use the SASB Standards for its ESG disclosures, so that stakeholders could easily access the data in a machine-readable format. This was done using the [IRIS CARBON®](#) platform

**1<sup>st</sup> ESG Customer for IRIS CARBON®**



*I like the template upload feature for easy data capture into the platform. This platform is easy to navigate across the different schedules. Overall, I appreciate the quick response from the well-informed customer support team.*



**Sound-bytes from FERC Customer**

# What's going for us

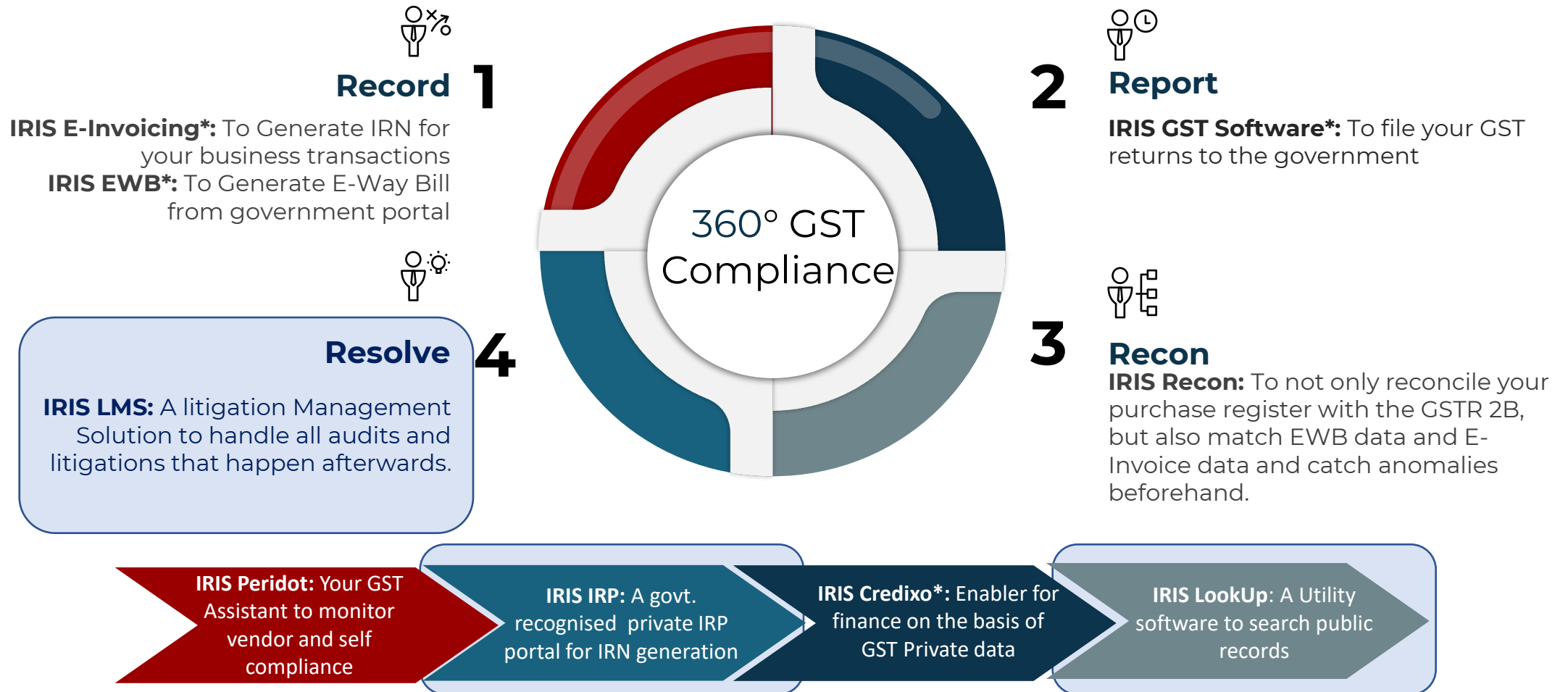
- ❖ **#1 on quality** in independent assessments
- ❖ **Excellent Customer Feedback-** testimonials, case studies, video interviews, reviews on independent software review platforms (Gartner Peer Insights and G2)
- ❖ **Demonstrated Product Agility / Flexibility:** 1st sign up for ESG iXBRL creation on IRIS CARBON is Gap Inc, US, a Workiva customer for SEC filings
- ❖ **New Offerings being rolled out in adjacent areas:**
  - ❖ Disclosure Management (cloud based collaborative report authoring platform as a backward integration to existing customers),
  - ❖ Analytics through use of APIs and other tools for peer benchmarking, analysis.
- ❖ **Strong Partnerships:** Solid global strengths combined with **strong local partnerships** drive sales (apart from our direct sales)
- ❖ **Pricing Flexibility:** Leveraging our **India cost advantage**

# Growth Strategies

- ❖ **Partner Led Growth:** we have grown in the past few years through **solid partnerships**, as well as direct sales. We will continue this approach in newer markets we enter into.
- ❖ **Knowledge Led Marketing:** We target customers through knowledge led content, emails, webinars and more. We host events where standard setters like XBRL US, SASB etc join in as guest speakers with our own experts.
- ❖ **Sales Ramp Up:** We are stepping up our **on ground as well as remote sales presence in the EU and US** both.
- ❖ **Piggybacking on our other business lines:** Our regulators' business drives a lot of XBRL adoption around the world. And we are not starting to position solutions like IRIS CARBON as part of an integrated offering to such markets.
- ❖ **Mining existing customers deeper:** Existing customers have shown strong interest in disclosure management and ESG reporting
  - ❖ US - CAFR Reporting (state government), MSRB Reporting – over the next 2 years
  - ❖ US – The DATA Act (Digital Transparency), GREAT Act, Financial Data Transparency Act to throw up new markets
  - ❖ US – ESG Reporting
  - ❖ EU - Corporate Sustainability Reporting Directive, next 1-2 years
  - ❖ EU and UK - Investment companies reporting, next 1 – 2 years
  - ❖ Across Markets - Disclosure Management for helping efficiently collaborate and create reports

- ❖ 1<sup>st</sup> ESG webinar for US audience conducted. Speakers from standard setting bodies- XBRL US and SASB were [guest speakers](#) at the event.
- ❖ 1<sup>st</sup> customer signed up for ESG iXBRL reporting- Gap Inc. Gap also published the iXBRL Viewer link on their [corporate website](#) under 'Data and Disclosures' section.
- ❖ IRIS CARBON® consistently tops the XBRL quality charts published by several independent quality evaluators, including XBRL Rankings published in the USA by XBRLLogic (Click [here](#) to see the score)
- ❖ IRIS CARBON® awarded with the Prestigious XBRL International Certification (Click [here](#) to see the certification)
- ❖ IRIS CARBON® listed on G2 now apart from Gartner Peer Insights (Read [here](#) and [here](#) to know more)
- ❖ IRIS CARBON® - Key Speaker at the XBRL Europe Conference (Click [here](#) to see post)

# IRIS GST - 360° Solution for GST Compliance





# eInvoicing and Private IRPs

- NIC is currently the only Invoice Registry Portal (IRP) of the country
- In order to increase capacity and bring innovation, 4 Private IRPs have been provided provisional license by GSTN
- Private IRPs have to offer basic eInvoice generation services at no cost

CURRENT MANDATE

**2.8 lakh GSTINs**  
**Entities**

Turnover > 20 cr. Additionally, some exemptions

**Total 1.36 Cr Registered taxpayers**

Current turnover threshold expected to be progressively lowered

**150 CR+ einv**  
**Transactions**

B2B supplies and exports over the last 18 months

Private IRPs can offer VAS over and above eInv generation facilities

VAS propositions

- Supplier Side: Invoice Presentment, storing and sharing, Accounts Receivable cycle
- Buyer Side: Accounts Payable cycle automation and improvement
- Others: Flow based financing enablement

# IRIS GST- Select Customers and Partners



# IRISGST – Awards and Recognitions



IRIS GST, a business line of IRIS is an **authorized GSPs** since 2017.



IRISGST has been authorised as **Private IRP** (Invoice Registration Portal) for e-invoicing in 2022



IRISGST is the winner of the **Best Tax Technology Solution Provider (Silver)** -2021 award by TIOL



IRISGST is the winner of the **Second Prize in “Benefits of GST”** contest conducted by GSTN in 2020



An **active partner in the GSTN ecosystem** participating in beta tests and review discussions

## What



- An XBRL authoring tool which enables automated structured data reporting from any organization's central data repository
- Server based application which can integrate with multiple data sources
- Can be extended to meet the standardization requirement internal to organization

## Why



- Enables automation of reporting framework
- Secure in-house XBRL based reporting solution
- Screens data for regulatory defined business rules there by assuring data quality

## Who



- Banks & NBFCs in India for RBI Mandate
- Banks in Mauritius for BOM Mandate
- BOE & FCA Mandate in the UK
- Resolution reporting in the EU

# Select IRISiDEAL Clients

	 बैंक ऑफ महाराष्ट्र Bank of Maharashtra भारत सरकार का उद्यम	 बैंक ऑफ इंडिया Bank of India <i>Relationships beyond banking.</i>	 Punjab & Sind Bank (A Govt. of India Undertaking) Where service is a way of life		
 बैंक ऑफ बड़ौदा Bank of Baroda	 Canara Bank	 इंडियन बैंक Indian Bank			 FEDERAL BANK YOUR PERFECT BANKING PARTNER
	 IndusInd Bank		 TMB Tamilnad Mercantile Bank Ltd Be a step ahead of life		
	 BNP PARIBAS	 AFRASIA bank different	 CITY UNION BANK LTD		

## Partner network



Note: Client and partner logos used only for representation



# IRISiDeal – Well Positioned

**STRONG TEAM OF PROFESSIONALS WITH TECHNICAL AND DOMAIN KNOWLEDGE**

**CREATED A PRODUCT-CENTRIC APPROACH WITH A ONETIME DEVELOPMENT COST**

**DEEP DOMAIN KNOWLEDGE ACQUIRED OVER THE YEARS**

**PRODUCTS ALREADY DEMONSTRATED ACCEPTABILITY WITH REFERENCEABLE CUSTOMERS**

- The advantages of a product centric business model

- Pricing flexibility, including a pay-per -use mode

- Product development costs largely onetime with relatively low maintenance cost

- Disproportionate increase in profitability for sales beyond a threshold

- High customer 'stickiness'

- Possibility of creating a multi-year cash rich business



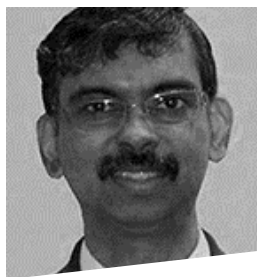
# Governance

# The Founders



**S SWAMINATHAN**  
CO-FOUNDER AND CEO

- M. A. (Economics) from Yale University, USA; B.Sc (Hons) from St Xaviers College, Kolkata
- Served as a consultant to the World Bank in Washington DC
- Early career in the media, serving in senior positions with India's leading financial daily, The Economic Times and later with the country's leading magazine, Business India.
- Helped launch Indian business programming on TV.
- Heads Strategy and oversees Sales & Marketing functions at IRIS. Keen evangelist of structured data standards and the application of structured data in nonfinancial areas
- Past Chairman, IT sub-committee, CII, Western Region,
- Past member, Regional Council, CII WR
- Past Vice-Chairman, Indian Merchants Chamber, Navi Mumbai
- Past Honorary Chairman, Bharatiya Vidya Bhavan, Navi Mumbai Kendra



**K BALACHANDRAN**  
CO-FOUNDER AND CFO

- MBA from Indian Institute of Management, Bangalore, B. Tech from Calicut University
- Prior to co-founding IRIS, he was with CRISIL (a Standard & Poor's company) as group leader and senior analyst
- Heads the XBRL Consulting practice and leads development of new use cases for structured and unstructured data
- Board Member,
  - XBRL India
- Past memberships Include
  - IFRS Taxonomy Consulting Group of the IASB, London
  - Sub-committee on XBRL of MCA, Govt. of India
  - Steering committee on fraud prediction models, SFIO, Govt. of India



**DEEPTA RANGARAJAN**  
CO-FOUNDER AND COO

- MBA from Indian Institute of Management, Ahmedabad, B. Tech from Indian Institute of Technology, Delhi
- Previously worked at American Express Bank and headed CRISIL's operations in North India
- Played a key role in managing large clients during the services growth phase of IRIS' XBRL story.
- Heads HR & Operations at IRIS, with direct oversight of Carbon, SaaS product for disclosure management
- Profiled as one of 25 top entrepreneurs who graduated from IIM Ahmedabad in the bestseller, 'Stay Hungry, Stay Foolish'

# Independent Directors



**Vinod Agarwala,**  
**Independent Director**

**Chairman of the Board**

Mr. Agarwala is an Advocate & Solicitor based in Mumbai. He is also Solicitor, Supreme Court of England & Wales and Advocate of Supreme Court of India.

He has been a practicing lawyer in Mumbai for the last 35 years, specialising in Corporate Laws, Securities Laws, Project Finance, Property Law, FDI and Commercial Laws.



**Bhaswar Mukherjee**  
**Independent Director**

**Chairman, Audit Committee**

Mr. Bhaswar Mukherjee is a Chartered Accountant who served as Director, Finance, on the Board of Hindustan Petroleum Corporation Limited. He has also worked as as CFO and Head, HR, in Haldia Petrochemicals Limited.



**Ashok Venkatramani**  
**Independent Director**

**Chairman, NRC**

After a 19 year stint at Hindustan Unilever, Ashok Venkatramani moved to ABP News Network as CEO and to ZEE Media Corporation thereafter as MD. An alumni of Indian Institute of Management Ahmedabad and Harvard Business School, Ashok has been featured in the World CMO Council's list of India's 75 top marketers.



**Haseeb Drabu**  
**Independent Director**

**Chairman, Committee on Risk**

Haseeb A Drabu is professional economist with a diverse skill set and wide-ranging experience. He has worked as a lawmaker, policy planner, banker and an economic commentator. He served as Chairman, J&K Bank. He is also a former Finance Minister of Jammu & Kashmir.

**At IRIS, we have always sought to practice the highest standards of corporate governance to the point of exceeding the minimum prescribed standards.**

**Which is how in a 7 person board of directors, 4 are Independent. Moreover, an Independent Director is the Chairman of the Board**

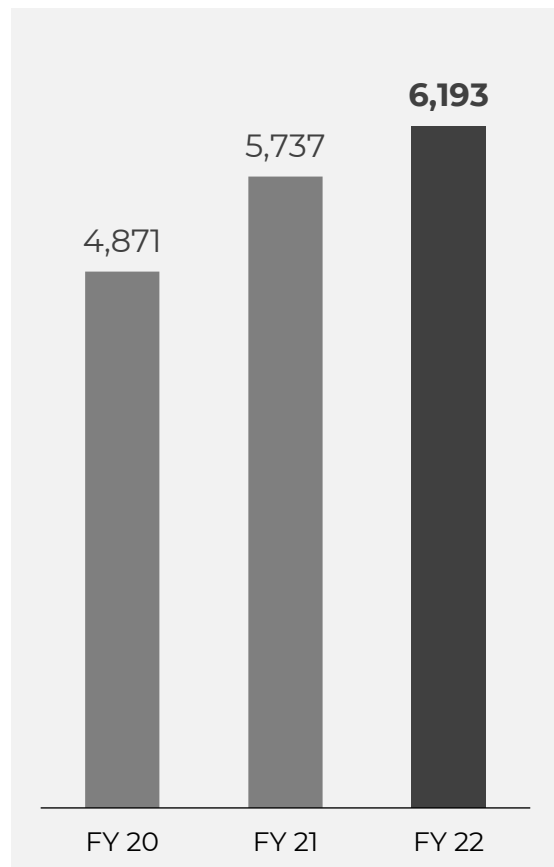
# FINANCIAL Performance

Consolidated

# Highlights

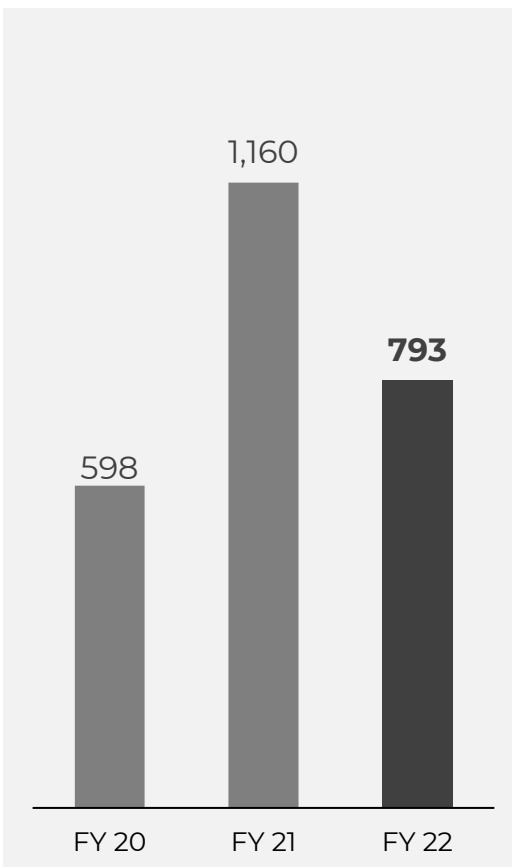
## REVENUES

(₹ IN LAKHS)



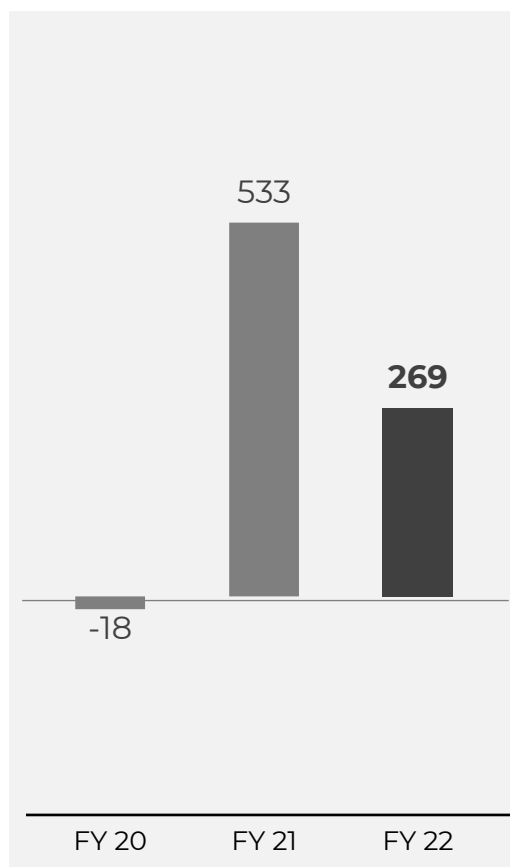
## EBITDA

(₹ IN LAKHS)



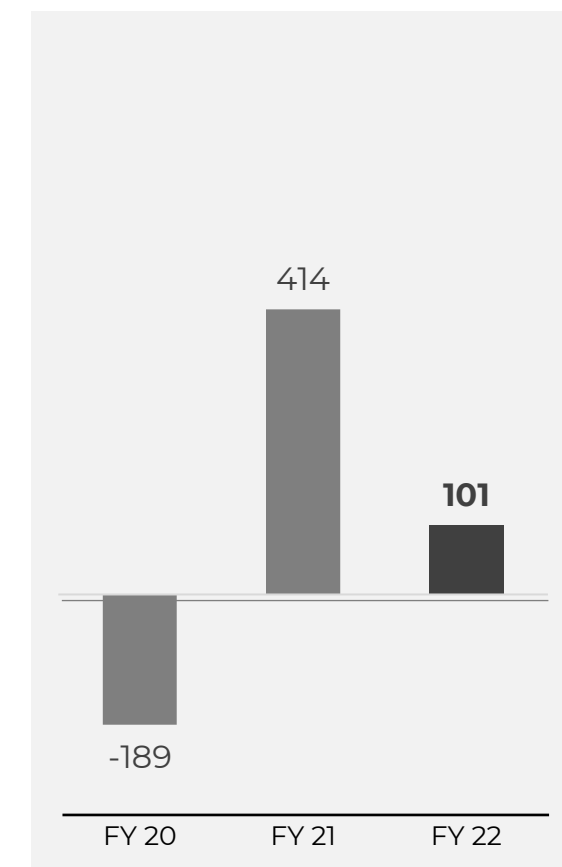
## EBIT

(₹ IN LAKHS)



## PAT

(₹ IN LAKHS)



Note: FY20 and FY21 restated Ind AS numbers

# INCOME Statement

(₹ IN LAKHS)

PARTICULARS	FY 22	FY 21#	Q4 FY 22	Q3 FY 22	Q4 FY 21#
Total Revenue*	6,193 ▲ 8%	5,737	1,800	1,684	1,744
Total Expenses	5,400 ▲ 18%	4,577	1,538	1,406	1,492
Employee benefit expenses	3,500	3,142	923	936	843
Other Expenses	1,939	1,493	653	470	656
Less: Capitalised Expenses	(39)	(58)	(39)	-	(7)
EBITDA	793	1,160	262	278	252
EBITDA Margin (%)	13%	20%	15%	17%	14%
Finance Cost	107	171	38	23	56
Depreciation	523	627	130	123	159
PBT	163	361	94	132	36
Tax Expense	62	(53)	12	50	(53)
PAT	101	414	82	82	89
Diluted EPS**	0.52	2.19	0.43	0.42	0.47

#restated Ind AS numbers

\*Includes other income

\*\* not annualised for quarter period



# BALANCE Sheet

(₹ IN LAKHS)

PARTICULARS	FY22	FY21#
<b>EQUITY</b>		
(a) Equity share capital	1,922	1,892
(b) Other equity	804	710
(c) Non-Controlling Interest	3	2
<b>TOTAL EQUITY</b>	<b>2,729</b>	<b>2,605</b>
<b>LIABILITIES</b>		
(a) Financial liabilities		
(i) Borrowings	649	602
(ii) Lease liabilities	14	21
(iii) Trade payables		
a. Dues of micro enterprises and small enterprises	37	3
b. Dues of creditors other than micro enterprises and small enterprises	164	222
(iv) Other financial liabilities	773	647
(b) Provisions	670	975
(c) Deferred tax liabilities (net)	1	-
(d) Other liabilities	997	723
<b>Total Equity and Liabilities</b>	<b>6,033</b>	<b>5,798</b>

#restated Ind AS numbers

PARTICULARS	FY22	FY21#
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	80	29
(b) Right-of-use assets	900	927
(c) Other intangible assets	738	1,208
(d) Intangible Assets under Development	39	-
(e) Financial assets	68	31
<b>(2) Current assets</b>		
(a) Financial assets		
(i) Trade receivables	1,565	1,323
(ii) Cash and cash equivalents	469	488
(iii) Bank Balances other than Cash and Cash Equivalents above	274	357
(iv) Loans	3	1
(v) Other	234	155
(b) Current tax assets (net)	249	427
(c) Other assets	1,413	852
<b>Total Assets</b>	<b>6,033</b>	<b>5,789</b>

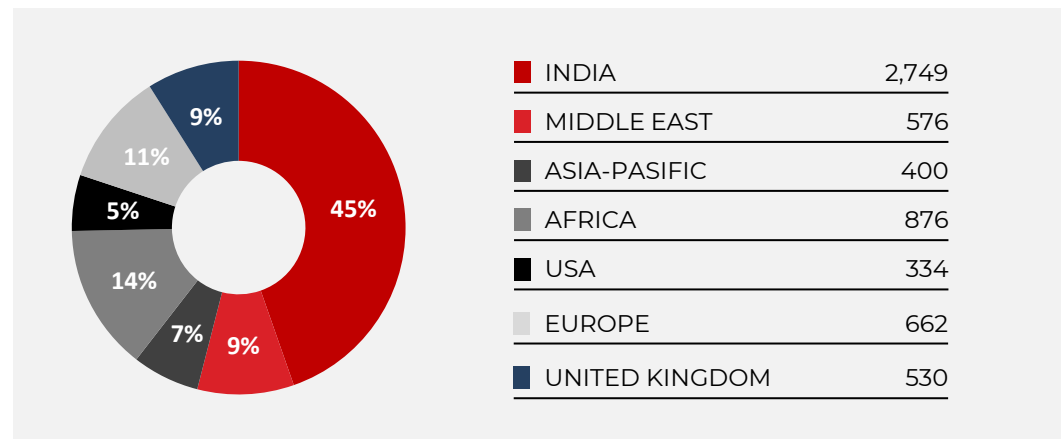
# REVENUE By Geography

## REVENUE MIX BY GEOGRAPHY

(₹ IN LAKHS)

	FY22	FY21#	FY20#
India	2,749	2,436	1,966
Middle East	576	790	1,144
Asia –Pacific	400	428	403
Africa	876	978	820
USA	334	117	63
Europe	662	338	32
United Kingdom	530	628	429

### FY22



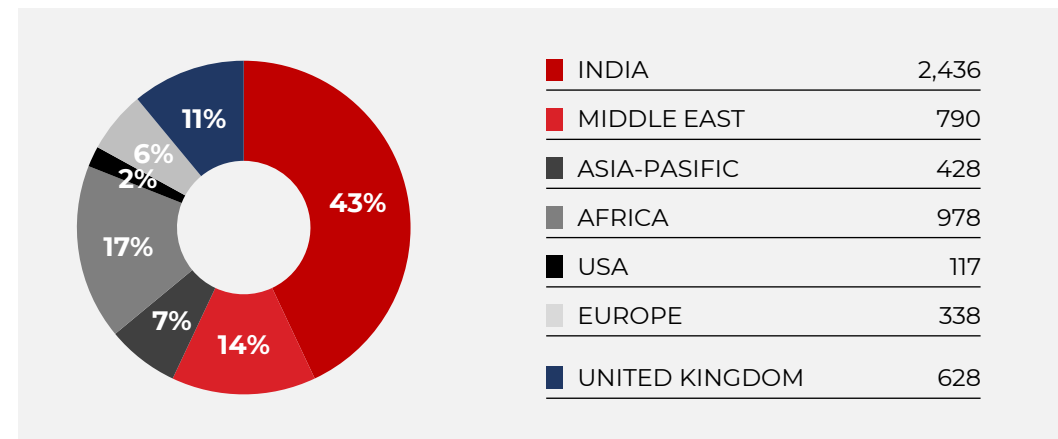
#restated Ind AS numbers

## REVENUE BY GEOGRAPHY

(IN %)

	FY22	FY21#	FY20#
India	45%	43%	40%
Middle East	9%	14%	24%
Asia –Pacific	7%	7%	8%
Africa	4%	17%	17%
USA	5%	2%	1%
Europe	11%	6%	1%
United Kingdom	9%	11%	9%

### FY21#

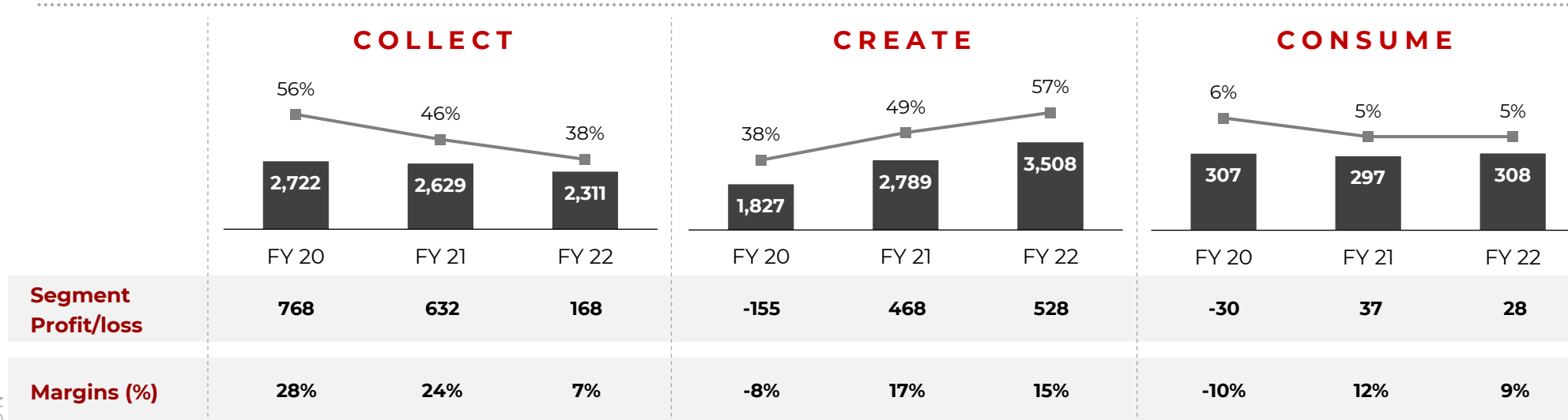


# REVENUE MIX - Recurring Revenues Increase

■ ₹ IN LAKHS

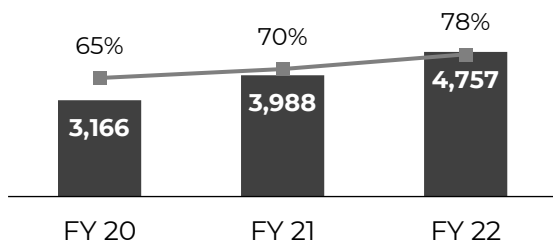
— % TO THE REVENUE

## REVENUE MIX BY SEGMENT

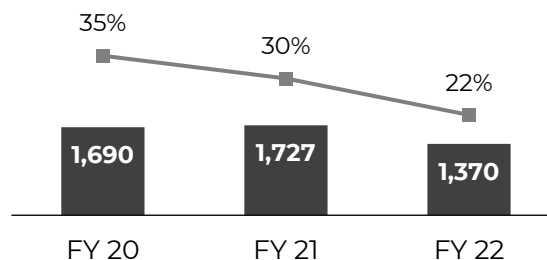


Current Order Book stands at ₹ 67 Cr with an ARR of ₹ 47 Cr, up from 40.23 cr a year ago

## RECURRING REVENUE



## NON-RECURRING REVENUE

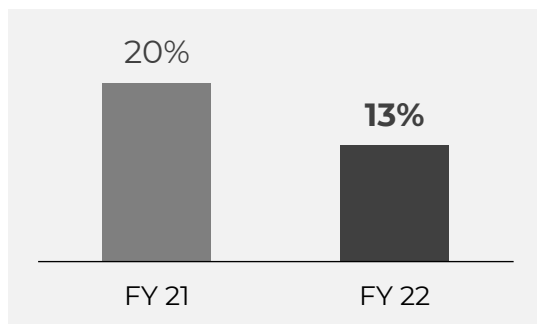


- Recurring revenues increase ~19% ₹ 4,757 lakhs from ₹ 3,988 lakhs from last year
- Recurring revenue contribute 78% to the total revenue in FY 22 as compared to 70% in FY 21

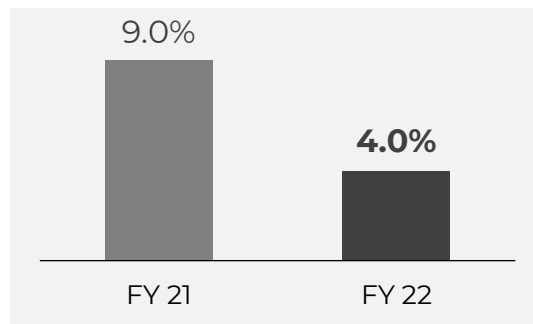
Note: FY20 and FY21 restated Ind AS numbers

# KEY Ratios

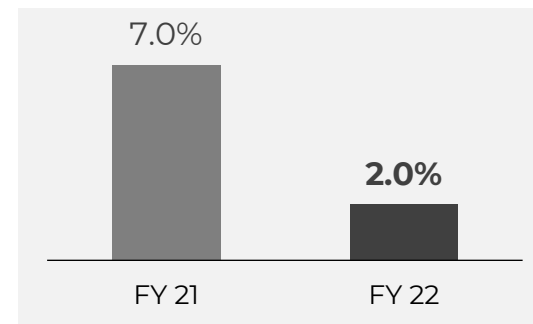
## EBITDA Margin



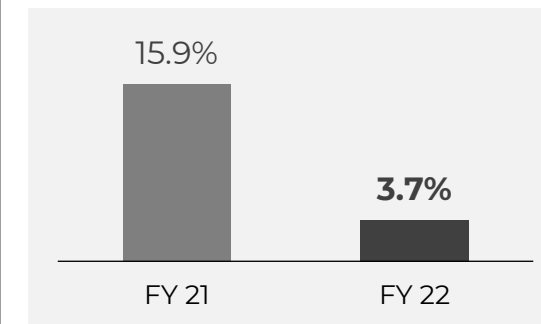
## EBIT Margin



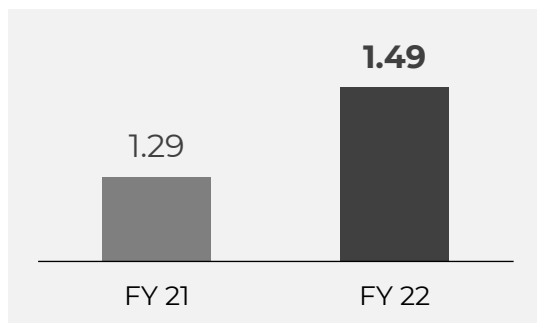
## Net Profit Margin



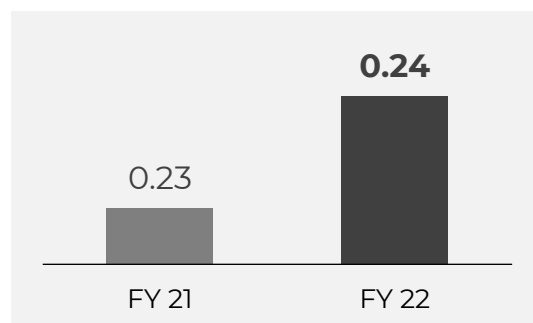
## RONW



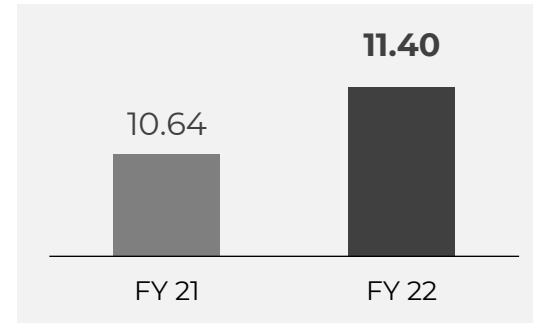
## Current Ratio



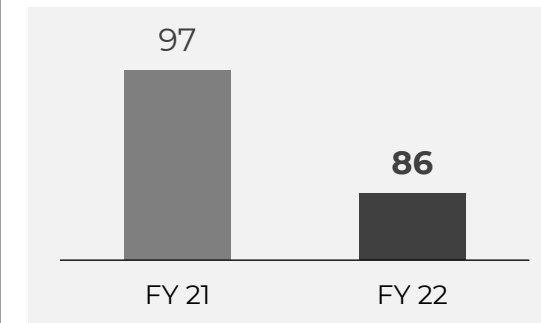
## Debt Equity Ratio



## Interest Coverage Ratio



## Debtors Days



\* Ratios have been calculated based on FY 21 restated Ind AS numbers



# THANK You

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**For further information please contact:**

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