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Date: 14th May, 2024

The Listing and Compliance Department National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G block, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Script Code: SM – INFOBEAN	The Manager, Listing Dept. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 MH- IN Scrip Code: 543644
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Subject: Transcripts of the earnings call conducted after the Meeting of Board of directors on Tuesday, May 07, 2024 at 5:00 P.M. (IST)

Please find enclosed the transcripts of the earnings call conducted after the Board meeting held on May 07, 2024 for your information and records.

This information will also be hosted on the Company's website, at
<https://www.infobeans.com/investors/>

Thanking you,
Yours Faithfully
For InfoBeans Technologies Ltd

Surbhi Jain
Company Secretary & Compliance Officer



InfoBeans Technologies Limited

Mar 31, 2024, Q4FY24 Earnings Conference Call

Management

Avinash Sethi, Co-founder

Mridul Maheshwari, Sr. Manager, Corporate Development

Krunal Sanghvi, Sr. Manager, Finance

Surbhi Jain, Company Secretary & Compliance Officer

Transcript

Surbhi - Good afternoon, ladies and gentlemen. Welcome everyone and thanks for joining this Q4 FY24 earnings call of InfoBeans Technologies Limited. The results are available on the stock exchange. In case anyone does not have a copy of the same, please do write to us. We will be happy to send it over to you. To take us through the results of this quarter and answer your questions, we have today with us co-founder Mr. Avinash Sethi. We will be starting the call with a brief overview of the company's performance and then we will follow with a Q&A session. Kindly ask your questions by raising your hand after the brief overview by Avinash is over and then we will address all the questions one by one. I would like to remind you all that everything said on this call reflects any outlook for the future. It can be considered as a forward-looking statement, and must be used in conjunction with uncertainty and risks that we face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with SEBI and the subsequent annual reports which you will find on our website. With that said, I turn over the call to Mr. Avinash Sethi. Over to you, Avinash.

Avinash- Thank you, Surbhi. Thank you everybody for joining this call. We always appreciate your patronage and your attention to this. We will talk about this quarter's number and the year-ended 31st of March 2024 numbers as well.

Quick overview

For those who are joining for the first time, we have a very quick overview of the company. We are a 1500-people company focused on digital transformation and product engineering. We ride on the platforms like Salesforce, ServiceNow, Microsoft and also on our partners like agineo which is a German-based ServiceNow powerhouse. We have several offices. In India, we have five locations. In Europe, we have two. In the Middle East, we have one. And in the US, we have three locations. This is a quick roadmap of how we have started and how we have opened our offices in multiple locations, how we grew from a revenue of 4 crores to 400 crores, how we got into SEZ and when we did our IPO, when we acquired companies in Pune and in the US and so on. A very, very quick glance. Started in 2000. The last 14 years, we have been very actively focused on growth. 1500 team members which are happy members. 67 clients with over 1 crore invoiced. Obviously, there are clients with much more but at least they are crossing the 1 crore threshold. We have 29 large enterprise clients which include 14 fortune 500 customers. And when I say large enterprise, we mean it is a billion-dollar-plus revenue enterprise. That is quite an achievement for a company of this size. We close this year at 384 crores. We will see the details in the coming slides. PAT is at 22 crores. We have cash and cash equivalent including account receivables of 205 crores. Five-year CAGR for the last five years has been 26% for revenue. Multiple partnerships and awards that we have received. We are very proud to say that we have been receiving Great Place to Work for Award, we have been receiving Dream Companies to Work for Award and also Best Companies for Women Award multiple times. These are all global offerings. We focus on enterprise applications, large enterprises and today's world we have to build software for web, for mobile and for cloud. We also do a lot of migration towards new age technologies. We also work on packaged applications like CRM ServiceNow, Salesforce ServiceNow platforms. We have user experience expertise in the US and in India and we are now investing in AI-enabled solutions as well. We are working with multiple companies to see how we can apply AI tools to our existing clients which allows us to rapidly start AI practice. Also automation and DevOps has been a constant effort.

Key updates

Key updates for the last quarter. This quarter has been a good quarter in terms of decent revenue and decent margins that we are able to recover from. Utilization levels have improved because we have got increased revenue. We were able to deliver it with almost the same team. By the way, another important news is that we spoke to our team and we told them that we have to focus on improving margins and utilization levels and we also got their sign in and deferring our annual appraisals which are due by March end to October. So now the appraisals will be effective from October this year. So we saved

some cost escalations for the next six months. Acquired new multiple clients but worth mentioning three large enterprise clients in the last quarter. The hiring team has been back in action. We are hiring aggressively. We hired 16 team members in Q4 alone as compared to 42 only in Q1. So you can see the contrast in terms of the momentum in the band. Our growth investments in organic focus continues. We are looking at assets and services on Salesforce at this point in time. We are also building implementation capabilities. Another announcement is that we have shelved the block in practice. We couldn't get paid clients for that practice. So we had to take a call. So after almost 18 months we had to take a call and we have shut down that practice. Recognized as a ServiceNow Consulting and Implementation Partner for the year 2024 in Premier Category which is quite a proud moment. And we are also starting our InfoBeans Foundation Fourth Center which will be the first in Pune. And at present we would have four centers now including three in Indore. We have been planting trees every year. We also started a practice where we are planting a tree on the birthday of our team members. So it started in January this year. By the end of this year we will have 1500 trees planted by virtue of this event. This was the award I was talking about. ServiceNow Award that we received. It's a proud achievement.

Quick team overview

The three founders including myself here and many others. Jitendra and Shreyas are the founders of Eternus Solutions. Taymor is the founder of PGI, a Philosophie INC group that we acquired. Amit has been with us for over 17 years now. Kannan has been with us for 21 years. Denise is working for the design team in the US. She has been with us for over 2 years. She heads the design and innovation team here. Again long timers within Pune are mostly VPs of sales and people in technology and design. Another set of VPs are very senior people which we depend heavily on in terms of building the organization and growing the organization.

Clients

Some of the clients, a lot of them are under NDA. We can't announce their names publicly but they have been with us for many many years. ALM is a very large company. It's American Law Media. We are working with them for over 20 years now. IQVIA has been with us for almost 15 years. Co-Advantage is again a very entertaining relationship. There are multiple names inside NDA which are again long timers with us. But they are very good, large enterprises, very strong relationships. Alright, so here is something that we publish every year. Last year we published the data and now we are extending it again this year in the annual results. One thing that we have been consistently seeing is 92% business came from existing clients. So that is the strength of relationships and that is the very strong anchor and strong stability factor for InfoBeans that we always have built upon what we have created year over year. Fortune 500 customers and billion dollar businesses totals 29 in both the years. Million dollar businesses reduced from 13 to 11 but

that is a short blip and I am sure we will recover in the coming time. Clients build more than 1 crore in annual revenue. We have 67 this year, it was 75 last year. Share of revenue from existing clients has increased to 92% and total client count has also increased to 193. Typically understand that the services business, we start small in the first year and then we build upon it and then we grow to the next year. So it is a multi-year relationship which starts small because it takes time to build trust with the customer and with the vendor. Therefore, it is usually an increasing slope year over year. So it is very natural that we have a very less share, 8 to 10% share of new customers and 90 to 92% coming from the existing customers. So here are the top 10 clients that give us 50% of the revenue. If you look at the share, the darker column, the darker bar is this year and the lighter bar is the previous year. Numbers are in crores. So client 1 gave us 5 crores previous year, this year they gave 17 crores in revenue. Similarly, client 2 and so on. We have, on the top row you would see the growth in terms of percentage from previous year as it is. So the first line grew at 231% which is more than 3 times and then the other clients in the range of 38% to 9%. There are 3 clients which de-grew, 3%, 7% and 16%. Put together, the total of top 10, the share of top 10 clients is about 50%. Other interesting detail is that these customers give us, the average tenure of these customers is 9 years where I said one client is at least 20 years plus. So it's quite a strong depth of relationship here. This is another interesting slide we came up with this time which is talking about absolute revenue growth in clients. And this is essentially within the top 20 clients. If you look at it, the first client again, absolute terms we grew 12 crores in this client. Then this client number 2, the bar number 2 is we grew absolute terms, 8 crore rupees from what it was previously. So if you look at it on the top, these are the absolute growth and the second row is the percentage growth and these are clients within the top 20. So again, as I said, services business starts small and then it grows rapidly over the years which is what is being reflected here. 9 out of 10 of these clients are repeat clients. So we continue to generate more business out there.

Financials

Alright, so here we see quarterly numbers. If you look at the March 24 number versus the March 23 number, there is a year-on-year change of 3 crores on the revenue side. There is a 5 crore increase in EBITDA and about 4 crores of increase in PAT on a y-o-y basis. When I look at Q-on-Q change, the numbers are positive here as well. From 94 to 100, from 16 to 21 and from 6 to 9. So the numbers are good on a quarterly basis. In the USD terms, the revenue is increased by 2% Q-on-Q. Here are some more details and some more commentary. If you look at it, the revenue increased from 89 to 97 on a Q-on-Q basis, which allowed us to improve the margins and interaction levels. That is how the EBITDA and PAT numbers have started to improve. Another thing that I wanted to highlight here is if you look at total expenditure, we kind of maintain the total expenditure at almost the same number, which is again a lot of effort and a lot of, I would say, optimal optimization exercise. So we are seeing that we are able to bounce back on our margins if we are able to generate enough revenue on the overall basis. This is the yearly snapshot of the total year. So last year we did 399. This year we paired short by 15 crores. So we did 384. EBITDA

was 85 last year. We did 67 this year. So again, a drop here. And PAT is 36 it was last year, 22 this year. There is a drop here as well. Essentially the drop is purely on the revenue side. If you look at the revenue drop, it is equivalent to the drop in the PAT number as well. So same thing, you know, can deliver higher revenue. And therefore, you know, if we generate more revenue, we'll be able to recover the PAT margins as we had previously. More detail here, commentary. As I said, look at the total expenditure row. We are almost at similar expenditure levels. And therefore, you know, any increase in revenue would definitely hit the bottom line. So the first three quarters of the year were poor. We were, you know, being slowed down in terms of demand, in terms of top four or five customers slowing down, creating a lot of impact on the revenue as well as the bottom line. And definitely an impact on the inflation levels. Another important factor is the PAT, the tax numbers have increased for us. Because our one office is totally out of the SEZ exemption limit. We completed 10 years there. The second office completed five years. So the exemption of 100% has dropped to 50% for income tax. So therefore, the tax incidence is higher now for us, which is going to be the case, you know, in the future as well. This is a margin movement exercise. If you look at it, we had lesser revenue when we saw the expenditure remains almost the same. The base for March 23 was higher and base for March 24 is lower. Therefore, there is an increase in team expense of about 3%, 300 basis points. But on the absolute terms, the numbers are the same. Again, investing, sales and marketing, which is reflected here. We also have lesser provision of bad debts this year versus what it was last year. There is a professional services cost that has been there. And other expenses also are there. So essentially, this is how the margin has moved. All right, so we are on the balance sheet here. There is a non-current assets reduction primarily on account of drop in intangible assets. We have an impairment exercise that we do every year. Under that, we had certain impairments of the acquisition assets, which are goodwill and intangible assets. And then the profits got added back to the reserves. That is another thing. And there is a payment to Eternus Founders this year, which was due for March 23 earnouts. And then March 24 earnouts has been written back because they did not meet their threshold. So the 19 crores worth of earnouts payment, which was due for targets achieved in March 24, are not required to pay, which are written back. And part of the liabilities are reduced because of that as well. So that is one update. Segment, I think, more or less 50-50 on digital transformation and product engineering. By business, ICL, which is the Salesforce business, brings 18% revenue. Geography-wise, we are almost 70% in the U.S. Europe is increasing its share. It is now 16%. It has grown very rapidly. Middle East has also grown at 8%. And India, including Singapore and other locations, Asia Pacific, is about 7%. So here are the revenue charts, PAT charts, and EBITDA charts. We've grown in the last five years from \$165 to \$385. Last year, there was a drop as compared to last year. Profit, we keep maintaining our stance that profit in FY21 and FY22 was abnormally high. 14% is what we usually suspect and usually maintain. We took a conscious call in terms of riding on the growth wave during COVID times, which is where we battled high attrition as well as increased costs in terms of hiring new people. We absorbed that and the margins got reduced. But if you look at the real outcome, it was an increase in revenue. And we are now inching towards bringing back both the EBITDA margins and PAT margins, comfortably back. ROE is

going to affect because of low margins. So that is an outcome that we can't help at this point in time.

Events

Some of the activities, I would like your attention to each of these three slides, three pictures here. The first one is a thank you note to our key performers on the support side. These are the people who work quietly, hardly get recognized. But here, we made an attempt and put a full-size hoarding on the main street of Indore. The second was ServiceNow Superstars. These are the top leaders of ServiceNow practice. Each one of them would have spent more than 10 years within InfoBeans now. The third one was bringing the mommy back to work. The women members who recently have become mothers, we have opened a crash in our office and we invited moms to return back to office and work from office. And at the same time, have their kids at their site. These are the three important recognitions that we did for a different set of people in our company. A lot of activities, attending a lot of events, doing a lot of meetings, some of the events, and hosting developer meets in Indore, Mumbai, Chennai, the locations. And participating in a lot of events just to increase our visibility and enhance our reputation in that space. Attended Dreamforce, Dreamin events, a field sports event in Philippines, user experience event in New York. And then Emerson was a speaker there. Emerson was a speaker at an innovation summit in Boston as well. So the celebrations that we do, we did another interesting celebration where we invited female team members along with their moms to celebrate Women's Day. And it was a successful event. It was highly appreciated by the participants. And by the way, these are the updates of the last quarter. This is not the update of the year. So just to keep that in mind. Yeah. So this is the InfoBeans Foundation. We have four centers now, three in Indore, one in Pune, and put together we are doing 200 students. By June we'll have another 40 students in Pune that will start. So 240 students are being trained for free to become software engineers. And, you know, essentially 80% to 90% of them get placed once they complete their one-year course. That's a very, you know, prestigious program for us. And we are very happy with the outcome. And we have seen people grow from zero, become graduates, grow from zero to 18 Lacs salary in three years straight after this course. That's a pretty, pretty strong outcome that we are seeing from this program. Therefore, we are expanding it aggressively and opening up Pune as well. Planting trees in various locations and other exercises that we do. And this is the price data mandatory slide as of March 31st. The promoter stake, you know, remains, I mean, it slides gradually, it reduces gradually on the account of issuance of new stock options every year. But by the way, promoters have not sold anything in the market since we went public. That's pretty much it. We cannot focus much on the business, but allow a lot of time for Q&A. So let's open it for Q&A.

Mridul - Thank you, Avinash. I would request participants to kindly raise their hands to ask the questions and would also request that kindly restrict the number of questions to two.

The first question comes from the line of Devvrat. Devvrat, kindly ask your question. I think we are not able to hear you.

The next question comes from the line of Rupesh. Rupesh, you may please ask your question.

Rupesh- Hi, can you hear me, sir?

Avinash -Yes. Yeah.

Rupesh - Okay. I have quite a few. Let's see. You said limit of two. So first question, sir, is, I mean, can you maybe in general talk about environment in, you know, US and other countries? Generally, what we understand is essential kind of technology transformations. Those kinds of projects are going through, but discretionary customers are holding back. So you can talk about environment specifically for us and our clients. And then in that context, can you also, you know, talk about a little bit about what is your order book? And then in that context, can you also, you know, talk about little bit about what is your order book or total contract value as of today and in also in terms of your bid pipeline? That would be question number one.

Avinash- It's already multiple questions, but I'll try and address them. See, I think we are still a micro-company to be very honest. The micro-factors should not really affect us. I mean, we do hear a lot of news about micro-environment, which is tough, particularly in the US. But as I said, you know, it should not affect us as long as our customers are not affected by them. Typically, you know, at this size that we are, you know, just two or three customers, they just go down, the top 20 customers and three customers or four customers go down from those top 20, then it affects us badly. And by the way, InfoBeans is not, you know, sector agnostic. We don't have any, I would say, very high exposure to any particular sector. So, you know, it doesn't really matter for us if one sector is not doing good or one sector is not doing very, very good. So, essentially, we are, as I said, we are still a micro-company. Micro-factors ideally should not affect us. But if the micro-movement is large enough where it is affecting multiple sectors and some of the clients, you know, get affected by it, then, you know, it will show some impact, which it showed in the first three quarters of this year. But essentially, because we are widespread in terms of various industry segments, you know, any one or two customers that, you know, give us good business, we are, you know, able to bounce back. So, I would not really worry too much about the micro-economic factors at this point in time. From the order book point of view, we don't really publish those numbers. But I'm seeing very good signs, and I mentioned in my, you know, prelude that there are two important signs for an IT services company. One is, you know, demand scenario. As we see, the demand is starting to improve. Second is the ability to hire people at a faster pace. We've been increasing or adding momentum to increase the, to fulfill the need that we have. Plus, we have struck multiple partnerships that is allowing us to, you know, grow sustainably. One is Agineo, which is A-G-I-N-E-O. It's pronounced as Agineo. It is a ServiceNow player

based in Germany, and it's part of a much larger group called Materna. They are, you know, associated with us for a multi-year relationship where they've rejected certain demand factors for us, and we have, you know, assured them to create. And then, I mean, so we create a team by way of, by hiring people, by training them, by, you know, pulling it out from internal projects or internal team members from various projects and providing it to them as a part of our, you know, long-term commitment to them. That gives us a very strong foothold in the area of our choice, which is ServiceNow. And that is how I see the German revenues are showing up. The growth is coming from that particular market as well for us. So multiple factors are playing up in terms of demand. You saw those two slides, top 10 customers and high growth customers, and there are good signs here. Each one of them are showing good momentum. So I think, you know, you can't simply single out a certain trend or a certain pattern or a certain sector that this is doing good. I think things are changing for us within our own client base where they are growing well. I hope I gave you some idea.

Rupesh- Thank you for that very detailed answer. Maybe one follow-up to that is we have our long-term, you know, aspiration to double our revenue in three years. And, you know, based on multiple factors, environment, talent, all that, whatever happened, I mean, FY24 turned out to be, you know, the year of consolidation. Would we resume our, you know, journey back in FY25? That's a follow-up to that. And then the other question is, you know, this in many years, if I look at Infobeam's 10-year history, our margins have been 18% to 22% range, right, but this in 24, we really got, you know, caught off guard in terms of our margins really went down. And this challenge is not like a one-off. As you keep growing for multiple years, this pyramid management and, you know, maintaining a sustainable margin, this is going to be there for you for 10 years, 20 years, 30 years. This is a challenge of, you know, underutilization or running out of talent. This is going to keep coming. So, I mean, have you now, you know, internalized? Because some of our larger peers or even some of our medium-sized peers don't have this level of fluctuation, right? This was really a surprise for me that for many years this didn't happen and it happened in FY24. So, are you now confident that going forward we will be able to maintain, you know, our margins in that 18% to 22% band, whatever is the situation? That is the, you know, management skill part. So, yeah.

Avinash- So yes, see, the expedition is out there. We want to grow faster. We want to double every three years. We want to grow both organically and inorganically. So, we are making a change in all directions, which is what is happening. And we invested in blockchain last time. We are now investing in AIML. So, we have to choose our battles and we have to obviously take calls in terms of the right investments. If it clicks, it clicks. If it doesn't, it doesn't. So, that is what, you know, we have been trying to do all the time. Organic also remains as a very strategic focus for us. We definitely are waiting for the right target at the right price. We don't want to pay just because we have money in the bank, just because, you know, we have to deliver that promise of doubling every three years. We are sticking to our principles and we are conscious of, you know, buying the right thing, which is right in the long term, rather than worrying about doing right in the

short term, we also worry about the long term. The second point that you talked about was how can we sustain the margins, how can we bring back the margins, EBITDA margins to 24% or PAT margins to 14%, 15%. So, we make constant effort, and I think in the last two, three quarters I did mention that, you know, the organization has to run at a certain size and scale. Without that, and it has its own setup, let's say a certain base level of expenses that we have to do, even if there is a drop in revenues for a short time. So, we did maintain that, you know, and that's what I was trying to highlight, that for the annual thing, the expenses more or less remain the same, and all the increase in revenue will trickle down to profits. We did talk about increasing rates for our customers in the past, and we've been able to do that successfully for quite a majority of them. We talked about balancing the parameters, and we talked about cross-training people so that they do more work, and they are not lying idle as one project gets over. They can transition to new projects with, you know, adjacent skill sets. So, we are investing in those things. We're investing in automation. We're investing in tools and frameworks that allow us to deliver at a faster pace and reduce the time to delivery so that we improve our, you know, organization levels again. So, these are a lot of those things that we continue to do and continue to focus on efficiency. So, yes, it is a slow journey back to the, you know, higher margins, and we are working towards it, and I would believe that in a couple of years, we should be back on that margin level.

Rupesh - Okay. Thank you. With your permission, maybe I can ask one more quick one.

Avinash - Let's have people line the queue, I think. You can just re-join the queue, Rupesh.

Rupesh - Okay, sure, sure.

Avinash - Thank you.

Mridul - Thank you, Rupesh. The next question comes from the line of Shashank. Shashank, please ask your question.

Shashank - Yeah, hi, sir. Can you hear me?

Avinash - Yeah, Shashank, we can hear you.

Shashank - Okay. So, sir, last two financial years have been kind of stagnated in terms of your revenue performance. Do you expect FY24-25 to be a turnaround year for you? And you have stated that you have delayed the employee increments for the next six months. So, is this the reason for you to deliver better EBITDA margins this time? Is this a one-off, or do you expect the EBITDA margin to further improve from here?

Avinash - So, Shashank, the appraisal impact will come from next quarter. We just published March numbers, so March continues to carry the cost that was there. What

we've done is we've deferred any increase in total cost, the salary cost, by six months. That will show up in June and September quarters. So that impact will be shown in coming quarters. What you're asking is whether we see this year as a turnaround year. I would say the kind of momentum that we're seeing in March quarter, the kind of numbers, the kind of demand, and the hiring that is happening, I'm positive that this year looks pretty good.

Shashank - Okay. Thank you, sir.

Avinash - Thank you, Shashank.

Mridul - The next question comes from the line of Rajesh. Rajesh, you may kindly ask your question.

Rajesh - Yeah, thank you. First of all, congrats on a very good quarter. And as you have mentioned in your presentation, that we have shelved off our blockchain work, basically. So, are there any other skills that you intend to add, something like cybersecurity or electric vehicles?

Avinash - So we are investing in AI and ML already. And we are actually working with a company. I can't name it right now. We probably will announce it more formally in coming months. It's a product company, which is doing AI implementation. And we have introduced them to at least three or four of our clients. They are doing a prototype right now. And we are also building that product for this company. We are both partnering and we are also doing implementation work. Sorry, not implementation. We are doing product development work for them. Eventually, we will also do implementation work for them, if things go well. We are trying to do a deep relationship with an AI product company, which has a good possibility of deployment in our existing customer base. So, yeah, that is an investment we are doing right now.

Rajesh - Okay. And with this, can we maintain this current margin along with the increase in revenues, with the increase in skills?

Avinash - I would like to. That is the whole objective. We have been able to do it. Let's see how it goes in the future.

Rajesh - Okay. I'm all set. Thank you. All the best.

Avinash - Thank you.

Mridul - The next question comes from the line of Devansh. Devansh, please ask your question.

Devansh- Yeah. Hi. Congratulations on delivering a good quarter. I just had two questions. The first question is on the point which you highlighted in your presentation of increasing revenue share and revenue from existing clients. So, I understood from your last answer that that could be done through the AI initiative in which you partnered with another company. Could you also highlight how else have you done upselling or cross-selling to increase the share? Could you give an example? That would be great to understand.

Avinash- Sure. Devansh, let me correct. We are still not earning revenue from AI implementations or AI prototyping at this point in time. These are just trial things that are running with our clients. They are happy. They will give us the project or work which we will build in the future. There is no revenue coming from AI at this point in time. The increase in current clients is by way of delivering more work to them. Typically, as I mentioned earlier also, services environment is such that you start small and then you gradually build upon it. So, some of the new customers that we acquired over the last couple of years, they are also growing now. Some of the clients which paused their work early 23-24, sorry, early 23 and mid 23, they are now restarting and continuing with more work. So, it is the growth and our ability to service more things. For example, in a client where we were doing non-salesforce activity, now because we have salesforce capability, we are able to do salesforce work for them as well. Similarly, those salesforce clients where they are not able to do other customization, we are now able to do those cross-selling also to them. So, there are multiple factors. So, our services portfolio has increased from not just plain customization, but a lot more things around platforms like salesforce, ServiceNow, and user experience is another capability. Automation is another capability that we have added over the years. So, all of these now allow us to upsell more into a new customer. So, that is what is showing up. Plus, as I was mentioning earlier or referring earlier, it is the comfort of the client side also. Now, they are willing to grow and spend more money on new initiatives. So, that is also showing up in various clients. So, it is a multiple thing, not just one that we can pinpoint.

Devansh - Understood. Thank you so much. The other question was just in the addition of new employees for the last financial year because I remember earlier you had highlighted a couple of years back that hiring and growth of new employees had slowed down. So, can you just give us a number in what the addition of new employees was over the last year?

Avinash - Let me check. I don't have numbers on top of my head. So, let me give you broad numbers. So, I think we were 1,600 people when we ended March 23. We are 1,500 people today. So, we probably lost people rather than adding net numbers in the last one year. This year and I think last three, four months, I am seeing net addition increasing month by month. We are losing certain people, but we are adding a lot of new people on top of it. So, I don't have exact numbers per se, but as I said, 1,600 people plus a year ago, 1,500 people stay, but now in the last three, four months, we are going net addition positive and with a large number. So, I think in March quarter, we were about 50 people

net addition. We added 16. We probably lost 60 odd. The 50 plus is the net addition for the last quarter itself.

Devansh- Thank you. Understood. Thank you. That's all. Thank you so much.

Avinash - And these are all experienced people. They are not freshers.

Devash- Okay. Understood. Thank you.

Mridul- The next question comes from the line of VP Rajesh. VP, you may ask your question, please.

VP Rajesh- Hi, am I audible? Yes, VP. Hi. Hi, Avinash. Congrats on a very good set of numbers. Just a question on the employee expense. If you look at March quarter over last year, the number has come down by two and a half cr. or thereabouts. So, is it because you have dropped some high costs of contracting people or is there a general, like the reduction you were just talking about, which has led to that improvement in the number?

Avinash- There are two, three things, VP. One is definitely there is a very, very conscious drop in contractors numbers. All the contractors that we hired because of the uptake in demand, we more or less asked them to leave because, you know, we wanted to fill those positions by our internal people. So we cut down on the cost on the contractors. That was one. Second is we are also looking at aligning sales efforts with the capabilities set that we have. If I'm not selling a certain skill set and I still have a bench. And my sales team is not going to sell that thing and expect funds. And I'm letting those people go because, you know, it's not going to help either parties. Not them, not us, because there's no work that's going to come. So these are those conscious efforts that we are doing. Apart from that, we're also trying to let go of high cost people where we can, you know, lift up one level of our existing team members so that we balance the pyramid a little bit better. A combination of all these three things is allowing us to maintain our cost efficiency, plus I think the increase in revenue also allows us to improve the utilization levels which also helps in margin improvement.

VP Rajesh - Right. I was more curious about the absolute number coming down, which I think you explained. So my second question, Avinash, is about the revenue growth for fiscal 25. You know, given like what you're seeing in your deal pipeline and the input quarter that we just had, is it, you know, more like one of projects coming together in Q4? Or do you now see better visibility into the pipeline and the clients coming back and, you know, asking for or giving out more projects? So just that some color will be very helpful.

Avinash- Yeah, so I think there are multiple clients, not just one or two. Multiple clients, I would say 8 to 10 such big names, which are showing good traction, good demand. Plus,

we also were able to forge certain partnerships. I mentioned Agineo. I mentioned this AI company. We are yet to have a formal announcement on that. If I'm holding on the name right now, but we are kind of talking to four such players. Two I just mentioned, two more that we are in the early stages. We are already working with them, but we are yet to formalize a formal partnership, which is a multi-year arrangement to, you know, help each other in the longer run. Now, this partnership, a multi-year partnership allows us to invest and, you know, build that kind of a commitment for both sides to help each other and invest for each other. They come and train certain niche or any finer aspects of their business or their requirements to our team. And we invest in learning at our cost and then, you know, allow them to utilize our team in the future. So that is the kind of partnership we are talking to right now. And not just one or two, there are a total of four companies that we are looking at. That gives me a lot of conviction and confidence that yes, we are going in the right direction. And this is not just a one-off transaction. This is a long-term arrangement that we're looking at. Plus, the clients, particularly in the European market, are growing very well, which is also a good sign. Middle East is also showing good signs. So, yes, I think there is a good momentum from, you know, at least 10 customers from the top 20 customers, I would say, which is nice. You see, as you know, it was kind of a, what do you say, a very, very dull period for last 9 to 12 months. But I think the action is showing up now.

VP Rajesh- That's wonderful. And just on the philosophy side, any color on that? How's that business doing for us?

Avinash- So philosophy is in the dark spot. They've shown a better number this quarter, I would say. We don't really track them on an accounting point of view. But we know of certain clients which are brown philosophy, first white philosophy. So they are showing a decent sign at the same time. But there is still a long way to go.

VP Rajesh- Great. Thank you and all the best.

Avinash- Thank you.

Mridul- We have just a few questions in the chat box. We are at the top of the hour. Avinash, you may want to quickly reply to them.

Avinash- Sure. Please go to the Q&A.

Mridul- Yeah. I think the first two, first one you answered already. Right. Second one, you might want to clarify that performance.

Avinash - No. I see this.

(Question from Saurabh)- The question is, this quarter performance has come mainly due to write-back of return payment. Don't know whether it is good or bad as targets are not met.

Answer- So definitely it is bad that they could not meet their targets. But let me also tell you that it has not impacted P&L. It mostly impacted the balance sheet. They've reduced the liability by that quantum. So I think it has nothing to do with the performance on the P&L side. But yes, we are happy that they've made it out there now. And that is not really a good sign for us.

(Question from Saurabh)- Any inorganic growth in the near future? Cash is a decent for inorganic opportunity.

Answer- Saurabh, yes. As I said, we constantly look out for inorganic opportunities. We don't want to do it just because we have money in the bank and just do a random crazy inorganic acquisition. We are cautious about it and we will take time and it has to come at the right valuation. We can recover the cost in three to four years. Sorry, four to five years. So it will take time.

(Another Question from Saurabh) Can we do another buyback?

Answer- I would refrain from a buyback at this point in time.

(Question from Varun) What is the outlook of revenue growth and margins for 2025?

(Answer) Varun, I think we talked about it already. We avoid giving numbers but the outlook is positive for both revenue growth and margin growth.

(Another Question from Saurabh), margin compression you explained many quarters now mainly due to salary hike. When can we see revenue growth coming back?

(Answer) Revenue growth is starting to show up. Saurabh, this quarter has been better. Margin improvement will happen and it is already showing up. So I think we are on the track.

All right. Over to you, Surbhi.

Surbhi - Thank you, Avinash. Thank you, everyone, for joining this call. Now you may disconnect your lines.

Avinash- Thank you again. Thank you, everybody, for your participation and your interest in InfoBeans on this call. Thank you. Bye-bye.