

InfoBeans Technologies Limited

Q1FY22 Earnings Conference Call

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INFOBEANS TECHNOLOGIES MANAGEMENT:

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Surbhi Jain

Good evening everyone. Welcome and thanks for joining Q1FY22 Earnings Call of InfoBeans Technologies Limited. The results and press release have been mailed to you, and it is also available on the stock exchange and our website www.infobeans.com. In case anyone does not have a copy of the same, please do write to us and 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 Mr. Avinash Sethi, Co-Founder and CFO. We will be starting the call with a brief overview of the company's performance and then we will open the floor for the Q&A session. Kindly ask your questions by raising hands after the brief overview by the Avinash is over, we will address all the questions one by one.

I would like to remind you all that everything said on this call that reflects any outlook for the future which can be construed as forward-looking statement must be viewed in conjunction with the uncertainties and risks that we face. These uncertainties and risk are included, but not limited to what we have mentioned in the prospectus file with the SEBI and subsequent annual reports, which you will find on our website.

With that said, I now turnover the call to Mr. Avinash Sethi. Over to you Avinash.

Avinash Sethi

Thank you Surbhi and thank you everybody for joining the call. Thank you very much for showing interest in Infobeans and your trust in Infobeans for all this time, appreciate that. Let's talk about the June quarter as to how did it went for us. Let me quickly go through the summary.

We recently had a Zee Business interview where I was speaking on behalf of Infobeans and we clearly talked about growing the company 2x every two years, and I will share where we are on that path. Been in business for last 21 years, focused around product engineering and digital transformation. We have 16 fortune 500 clients to our account. State of the art infrastructure, I am actually calling from the office, so we have offices in Indore, Pune, Bangalore, Chennai and New York in USA, Munich in Germany and Dubai in Middle East. About 1000 professionals are globally working with us.

So here, I would like to explain as to what we are doing, this is the last five years of numbers in terms of revenue and EBITDA margins. If you look at it, at the current pace, we are doubling ourselves every three years. So, from FY17 to FY20 if you see Rs. 84 crores to Rs.165 crores, from FY18 to FY21 from Rs. 97 crores to Rs.196 crores and all these while we have been able to protect our EBITDA margins. There has been a significant jump in EBITDA margins last year because of COVID related savings, the savings on travel and the facility management is adding up to the EBITDA margins. But, you know, it will come down to the 24% level that we are comfortable with, which we feel is more steady state then the onetime 30% spike. 90% plus comes from the US, and smaller percentage from Middle East and Europe. Please note that these are newer markets, hence the revenue share is increasing by the day. But since we acquired a company in 2019 in the US, the revenue share of the US is now increasing disproportionately, but that is the part of the strategy also.

Very highly experienced core team with us, if you look at the number of years that they spend with InfoBeans, you would know that these are our trusted lieutenants. They have been with us through the thick and thin, they have grown from.....like Arpit Jain for example started with InfoBeans and still within InfoBeans, so that's a pretty impressive journey that he had. We have into so many such people like Kannan, Amit, Manish and so on. So, they are the pillars of the organization and we feel that each one of them is a partner in the company in the sense that they have stock options, and each one of them is also responsible for growing their business for them. So, we are very proud of this team.

Highlight of June quarter, total revenue at Rs.55.2 crores up 9.6% in INR terms, and it is 14% up in dollar terms compare to Rs. 50 crores in June 20, so it's about 9.6% growth here. We have added six new clients including one fortune 500 clients which is a new client that we' have added. That client is into fossil fuel and energy business. One very important update is that we have signed a non-binding term sheet with the sales force implementation partner. I can't really disclose much more than that because we are into a confidentiality agreement, so until we sign up definitive agreement, which is subjective to due diligence, we can't disclose more details here, but you know I wanted to update everybody here that our efforts are showing some signs of fructification here, so let see how it goes. We will have 90 days to do our due diligence, so we will only know after that.

InfoBeans is ranked among high growth companies, Asia Pacific 2021 by the Financial Times. This has been third time in the row, so we been consistently figuring out in high growth companies in Asia Pacific region. InfoBeans also actively managed the COVID situation happened in the month of April and May, it was pretty bad. I think we talked about it last time partially, but this time we have also actively managed the vaccination drive for our team members. So, about 70% of the team is already vaccinated.

On the client list which very long term clients ALM for example is with us from last 14-15 years, IQVIA is with us for more than a dozen years now, CoAdvantage, have another company under NDA and Viatech these are all companies which are with us more than 10 years. Again some names mostly these are the client from the US company Philosophie. WeWork is one. This is a slide that remains constant in all those five years of our journey from 2016-17 onwards, where we started actively pursuing organic and inorganic growth in an aggressive way and that is when we got listed in 2017 to raise more funds. So, we continue to follow that strategy, continue to fine tune that strategy. So, it is a five-prong approach you will see here and we want to expand our existing clients, we want to target clients and a very focused approach into areas that we feel we are doing good work and the industry is like Standards Development, Storage, E-commerce, Publishing & Media, and now BFSI segment also. We also focus on Independent Software Vendors who find our services are very useful, so these are some of the targeted approach that we are doing in terms of our reaching out to new sales and new clients. We also are expanding into new geographies like Middle East and European Union through Germany, these are relatively new because we started like five years ago. US is from day one, USA is like 21 years and making.

We also institutionalized sales engine which is operating in Indore and Pune where they do lead generation, they do sales support and do a lot of other things, in terms of generating leads and then they will onsite field force sales team which will go and convert those leads. We are also actively following a strategy of entry inside large companies, via enterprise applications like ServiceNow and Salesforce, these are applications that are being used by large corporates and we have a dedicated sales team in all the geographies that we operate in including US, Middle East and Europe. We focus on competencies to form a very focused approach in terms of selling to our clients and then last but not least is the inorganic approach, where we are actively targeting companies in the Salesforce, ServiceNow, user experience, automation space, the one that we acquired in 2019 was a company present into the user experience space and advertising space which is pretty impressive work that they are doing right now. So, one of the objectives of acquiring companies is to obviously expand our customer base, at the same time expand our capabilities also. So that continues as an effort.

Here are the numbers, you know Rs.55.2 crores, 9.6% revenue growth, YoY quarter comparison. About 13% growth in EBITDA numbers and almost 40% growth in PAT margin numbers. As I mentioned earlier YoY growth in US data was 14.2%, recall that last June dollar was more than Rs.76 and this June dollar around Rs.74 range, hence there is higher increase in US data but there is a lower increase in INR items.

So here we look at the concerted P&L revenue has increased to Rs.55 crores as compared to Rs.50 crores in the June quarter last year. Total expenditure from Rs.43 crores to Rs.45 crores this is increased and let me warn you this will continue to increase in the next coming quarters also because of the cost of hiring and the salaries that we have to pay to the new talent or lateral hire talent is going to be much, much higher. We are also doing internal revision so that we bring in parity and don't disturb the equation internally. So it is a tough call, tough balance that we are managing but let me tell you again that we will be losing out on some margins here because of the

rapid increase in salary cost. EBITDA margins are slightly improved as compared to June and also, definitely increase as compared to March because the revenue has increased quite a bit which is adding to it. PAT margin has also shown improvement from last June quarter. So, honestly Jun'20 is not a very good comparison, we should look at Mar'21 which is a decent quarter because the COVID impact was there in June quarter, but Mar'21 there is a little COVID impact, so these numbers are comparable in that sense, and the good news is that we still have a good increase in revenue, which is offsetting the increase in cost by quite a bit. So that's pretty much on the numbers.

Let me give you some more updates on the buyback, I think most of you are aware that not a single share was tendered in buyback, which is a good news that the investor community felt that the buyback price is lower than the real value of the business which is a good credibility check and good response back from the market to the company. Since we have already committed that amount of money, we have issued annual dividend on Re.1 and special dividend of Rs.2 for the year ended Mar'21. So, I am assuming the dividend must have been into your account by now.

M&A, we talked about it during because of the confidentiality and non-binding nature of the term sheet we can't give out more details. At the same time, let me also make you aware and qualify this statement that this is all subjective due diligence, we are yet to sign a definitive agreement and the definitive agreement is at least 60-90 days away. We may or may not sign it and the other party seller may not sell it, there are all kinds of possibilities, but since it is a significant step in the acquisition process that both parties have agreed on certain valuation number or a range and agreed to sign term sheet to enter into due diligence phase. So, we have already committed our teams to start diligence and they have also committed themselves exclusivity period to enter into due diligence, and they will not be shopping around until the due diligence is over. Either way, we decide, we will let you know. Philosophie is doing good, their revenue is \$2 million for the quarter, and their margins have increased here. So, they have done 450K in net profit this time. They are also facing the talent crunch in the UX designer space in the US market. Talent acquisition continue to face talent crunch and excessive costs is witnessed in that space, but we continue to preserve this, we continue to fight this, we continue to figure out ways and means to handle the situation, hoping that this is going to be temporary and next 6-9 months they should dive down plus we also investing heavily into learning and development to counter this challenge, to also multi scale our existing team, and we are also hiring fresh grads from the market, from the colleges and we are grooming them so that by the end of this fiscal, they should be billable and we should be able to create some parity in terms of cost and, add a lot of people in the bottom of the pyramid. That is the strategy that we have been following.

Last update, lot of people asked me as to what is the sales pipeline looks like? what is the order book? So, I keep mentioning that we don't really have a concept of order book as crystal clear as it should be, like small company like our this is not very, very clear because lot of customers keep renewing their contracts after 6 months or 12 months. We don't have a much larger visibility beyond 12 months, but with whatever verbal agreement that we have in place and past experience that we have in terms of the confidence on the current order and sales pipeline, we feel like we have a very strong \$20 million USD pipeline for the rest of the fiscal. So that's strong indicator that we are bullish about the future in terms of continued demand from the customer.

From cash and cash equivalents point of view we have about Rs.151crores accounts and investment vehicles. Out of that, about Rs.41 crores is trade receivables. DSO is reduced to 71 days, we continue to work towards improving it. Other income constitutes about Rs.3 crores around forex gains, interest income from dividend.

COVID-19 risk, we feel that we are past that risk, in the sense that 70% of our team is vaccinated. Indore as a city, local authorities claim about 80% vaccination in the city as of the latest report. So we feel that bulk of our team which operates from Indore would not face many challenges in the COVID damages because. So, we should be able to resume our office operations. We are already starting to have people come into the office, we are doing several entertaining events every Monday, to encourage people to come. We are also opening slowly and gradually building towards opening our cafeteria and other facilities, so that people have more reasons to come and join the

office. So, that's about it. Market data you guys are already aware about it. Pretty much it from my end, you may feel free to ask questions.

Asha Gupta

Thank you Avinash. We will start with the Q&A session now. First question comes from the line of Gaurav Kumar. Please go ahead.

Gaurav Kumar

Hi, good afternoon. Thank you for taking my question. I want to ask a couple of things. Firstly, there seems to be a bit of less growth happening in the India in the main InfoBeans business, excluding if I say all the subsidiaries, would you have any comment on that? And secondly, with regards to your acquisition for a Salesforce partner, my limited understanding is it's a very crowded space, lots of people are there, lot of big and small companies including say companies like Accenture. So do you see them helping you actually go and get new contracts and competing because it seems a very crowded space to be in? And thirdly, if any multiple extra which you can give any guidance with regards to of the acquiring company? Thank you.

Avinash Sethi

So, I will answer each one of your questions. First one is the revenue growth seems to be less. I would actually think that the revenue growth is good at it's like on dollar its 14%, in INR term it is about 10%. So it is a decent growth. Let me tell you the limiting factor and I talked about it last quarter, also, is we are holding our clients, either we are delaying the work, or we are saying no to them because of the talent crunch. The kind of cost that is piling up, and even if you entertain the offer or the demand of the candidate there is a huge percentage of declines, people who commit and don't join. So, there is a lot of challenges on the supply side, we are handling it, and we are trying to figure it out. There is no short-term immediate solution other than, agreeing to be demands of the candidates and we are doing that. We are willing to capture the revenue first and worry about margins later, but it is still taking its own time. So, a 14% growth on dollar terms is a good growth I would say.

Second question that you talked about is the Salesforce as a crowded space. I think the work that we do digital transformation product engineering is already overcrowded. Same goes with Salesforce, you're right it is overcrowded space. But what is happening is, since we have a very active strategy of working with large customers and working with them for a long duration so we go deep dive and, land and expand in those accounts, and try and penetrate as far as we can, as deep as we can. So, in that what we are finding is all those fortune 500 customers, they are moving, either they already have Salesforce, or they want to move into Salesforce. So, there is an inherent demand coming from our own customers asking for Salesforce people and we do have about 70 odd people in the company who are working on Salesforce on a particular client. So, it aligns very with what we're doing, it gives us a better differentiation then product engineering or digital transformation. So, it is well aligned with our strategy and our focus on large customers. So, we feel that Salesforce is a very good acquisition to be in or place to be in.

Third is the multiple that you asked for. I would really want to hold on that for now. Wait for one more quarter and we will have all the details if it goes through. We don't know whether it will go through or not. So, talking about value, talking about multiple, talking about all those things is actually premature at this point in time.

Asha Gupta

Thank you, Gaurav. Next question comes from the line of Vikul Arora. Please go ahead

Vikul Arora

Thank you for giving me the opportunity. My question is like, after the pandemic more of the companies going to digitally. So, the big giants are acquiring big customers, so I just want to know how companies are going to acquire big clients or new clients? And what are strategies so that we can acquire the big customers like big giant like Infosys and Wipro acquiring?

Avinash Sethi

See Vikul, in the journey of last 5-6 years we are also struggling and aspiring to reach out to large customers. And get inside those companies and try and secure larger deals. So, we already have 16 fortune 500 customers, we have done a decent job in terms of cracking those accounts. I think what remains to be seen is, how can we expand further into those accounts and create a much larger revenue share for us, compared to what he did at the start of it. So earlier, I will give you one simple example earlier we used to take 4-5 years to reach a million dollar size, you know recently we take like 12 to 18 months revision million dollar size once we enter into that account and earlier we never could sign a \$1 million accounts at the get go, usually started 100k kind of accounts. Now, we are signing \$1 million plus accounts at the get go at the start itself and now we are aiming to see how we can reach to \$5 million size to each of those large clients. It is slow and steady journey, because in any services world you have to deliver every day and if you miss out on something you are back to square one. So, we are sure that what are our aspirations. You know strategies like Salesforce or ServiceNow is a strategy that is working, they are allowing us to enter into large companies and signing up in them and continue to sell them. So I think we are totally aligned with what you are saying, and we want to do that that is our aspirations, and we are in the process, how soon how fast we can do it is obviously a factor of various things. And be assured that we are constantly working in that direction, and it is a nirvana for us. We want to do that.

Vikul Arora

Okay. So my second question is regarding the subsidiary of Philosophie. So, do we able to integrate our like front to back properly?

Avinash Sethi

We are there, I think as per the share purchase agreement that we signed with them, the founders continue to drive it until end of 2021 calendar year and then we formally take it up. But we have, integrated our back offices like accounts, HR functions. I wouldn't say back offices, but I would say non delivery functions, we have already integrated. Marketing, partly sales, and what they are doing right now is delivery which is the more core function for them. So, they continue to do that, we will transition out, when I say transition out, we will transition into the business effective last quarter of, let's say this calendar year. So, October onwards we will try and, get much more closer to the business, but we are already overseeing several parts of the business. So, it is a process which is, scheduled in such a way that by the end of the calendar year, we should be able to take it fully.

Vikul Arora

All the best for the future and keep smiling. Thank you.

Asha Gupta

Thank you, Vikul. Next question comes from the line of Sachit Motwani. Sachit go ahead.

Sachit Motwani

Good afternoon and congrats on good set of numbers. My first question was on this acquisition where the term sheet is being signed. I just wanted to get a sense on similar lines that you are catering to Fortune 500 companies and they would be having some of the other guy doing those Salesforce implementations. So, does this company offer us a diverse client base which is why we are offering them or just on those lines I just wanted to get your thoughts?

Avinash Sethi

I think the company is offering us Salesforce capabilities, which is an important aspect and there is a partnership status that they have with Salesforce, which is of importance to us. It opens up the area which were aspiring to go in. Salesforce currently in InfoBeans is only for one client that we are doing and therefore we don't have any relationship with Salesforce as a company, because typically these enterprise applications they want their partners to sell their licenses, they want their partners to implement it and that's when they support them back-to-back. Now since we don't have any relationship with Salesforce as a company, we do implementation for them. but we

are not very recognized partner in the ecosystem. We are a partner, I think several partners there, but we are not recognized partner in the entire ecosystem. So, with this company that we are looking at we should be able to have a much stronger relationship with Salesforce as an entity itself, plus we have a much larger set of capability around Salesforce ecosystem where we get a large number of Salesforce certified professionals. And then with this two, we can actually expand this much faster. We have capabilities to double the team size so that we have a much larger Salesforce team, and using that scale, we can deliver much larger value to our customers in all the three markets, European market, Middle East market and the US market. So, we are missing Salesforce as a capability which we can go and sell. Our Salesforce capabilities is limited to a very small function. So with this, we get a much larger muscle to expand ourselves into more clients, and also, as I said our existing clients are also asking for, so it will work both ways. Yes, the target company has clients that we would want to penetrate further. So, it is an additional advantage, and the primary reason for us was Salesforce has the capability and has relationship with the Salesforce company itself.

Sachit Motwani

Avinash ji, you were looking generally at companies with a \$5-10 million revenue range. So, this falls into that within that range itself?

Avinash Sethi:

You answered it yourself.

Sachit Motwani

Okay. Another thing was on the order pipeline when you mentioned \$20 million order pipeline. How do you define that, what would be the execution timeline like of those orders?

Avinash Sethi:

9-12 months.

Sachit Motwani

Okay. Another question was in Philosophie, like last quarter also you mentioned about Philosophie planning to do a complete work from home, has anything changed there because what we hear is companies in US now started talking about at least 50% attendance. So, what do we do with that office, are we still having that plan of subleasing it or we planning to use that?

Avinash Sethi

We had two offices, one we already sublet and the second one we want to sublease again. We are not getting good offers for now, but I think we should be getting some traction in this quarter. Philosophie continues to remain work from home. They are trying to balance it in a way where they meet teams locally on a Friday and try to build that relationship and bonding on themselves, but they are not going to go back to offices in future.

Sachit Motwani

So, this margin improvement that we have seen in Philosophie may continue, other than whatever the employee cost headwinds we may have, but other than that the margin should continue to improve?

Avinash Sethi:

That's correct.

Sachit Motwani

Okay, thanks a lot Avinash and all the best.

Asha Gupta

Thank you Sachit. Next question comes from the line of VP Rajesh.

VP Rajesh

Hi Avinash, nice to meet you. So, just trying to understand a little bit more about the business. Can you share the proportion of revenues that are coming from product engineering and digital transformation?

Avinash Sethi

To be very honest, this has been tricky, because we have clients where we do both. We have projects which overlap on both the territories. So it has always been a difficult to segment it. We are trying to do that, rough estimate that I can give you is about 55% on the product engineering side and 45% on transformation side.

VP Rajesh

Okay, my second question is what is the percentage of revenue that is coming from the top client and then top 5 and top 10 clients? I'm not sure if there was a slide.

Avinash Sethi

No there was no slide, I use to mention it in Media which is missing this time. So typically top 10 customers give us about 70% - 75% of the revenue and the top single customer would give about little under 20%. Yeah, so that's where the spread would be. Top 5 will be probably about less than 60%.

VP Rajesh

Okay. Just the last question, so in terms of the EBITDA margin, you are guiding that for the next 2-3 years it will be more around 25% even though last year it was around 30%. Is that right to understand it?

Avinash Sethi

I would say around 24% to be more conservative.

VP Rajesh

Okay, all right, I will get back in the queue. Thank you.

Asha Gupta

Thank you, Rajesh. We will take the next question from the line of Hetal. Hetal please go ahead.

Hetal

Hi Avinash, excellent presentation and great quarter. My question is more on the backend side, your points about talent crunch is a bit concerning. What's the utilization percentage? what's the bench strength you have? And if that is really such a big concern, shouldn't you be looking at acquisition on the delivery side and look at some software companies in India, is that something which you are already looking at?

Avinash Sethi

We are already looking at that. We are trying to see if we can acquire on that matter. So yes, from a utilization point of view last quarter we have reached at about 75% utilization. When I say utilization, I have more than 70 people on currently which cannot be utilized, but from a metrics point of view 75% does not include them. So, from a billable resources point of view we are more or less billing everybody that can be billed. People who are

under training, people who are under exit, people who are on the transition from one project to another, these are the gaps which will make 25% of the remaining part.

Talent is a challenge everywhere, if we look at all the IT companies, right from TCS, Infosys, Wipro, HCL everybody is hiring anywhere between 20-25% of their total strength from colleges. The reason they are doing that is because of the same challenge that the entire industry is facing. I am part of NASSCOM SME council for MP, I represent NASSCOM in the SME council from MP as region and I am part of several groups where we keep talking about talent situation. And you know how dire situation it is in terms of unavailability, in terms of the cost escalations, in terms of the decline rate ratios, in terms of unwillingness for candidates to work in office. Everybody wants permanent work from home and that has opened up global market also you know, companies from overseas are hiring from Indore, from Pune. So, it is becoming a very tricky space in terms of the talent, and therefore everybody is trying to groom talent grounds up, which was not the case pre-COVID. So, I think it's an industry wide situation. Everybody has to face that, and we are also facing.

Hetal

So, are you looking likewise and looking offshore at other geographies for talent?

Avinash Sethi

We are exploring some markets, but still at a very early stage.

Hetal

Okay, got it. Thanks.

Asha Gupta

Thank you Hetal. We will take next question from the line of Tarun Verma. Please go ahead.

Tarun Verma

I want to ask a question about the other income, why is that increasing?

Avinash Sethi

Why is that increasing, because of the interest of the corporate bonds are maturing, plus there is a forex gain that we have had because we have hedged currency at a much higher rate much early on the sequence of the image. So, these are some of the income elements that are coming up.

Asha Gupta

We will take next question from the line of Mr. Ravimohan Mishra.

Ravi Mohan Mishra

Congratulations for getting this higher growth to the shares because this is not for 2 months or 6 months of growth, this is 21 years of growth, so first of all congratulations. My question is that I have seen your all interview and found that you are focusing on Salesforce, which is very good. I mean all Fortune 500 companies are working on that. So, my question is that why we are not focusing on RPA (Robotic Process Automation), I mean for future growth?

Avinash Sethi

Ravi we are doing that, we have a team on RPA also. So, if you look at the last but one growth slide that I talked about. We have a very active strategy here if you look at it, ServiceNow, Salesforce UX and automation. Automation is RPA. We have an RPA team, we are a UiPath partner also and we are investing in that space also, if I get a good target company to acquire, we will be happy to do that. These are 4-5 areas that we are very bullish upon ServiceNow, Salesforce, design and automation.

Ravimohan Mishra

I have seen you that you are always talking about that, we are trying to focus on this type of services and growing our companies on that. That is very good. Yeah, so thank you so much for you know giving my answers and best of luck sir. I mean, for getting future growth on this. Thank you so much.

Asha Gupta

Thank you, Ravi. Next question comes from the line of Pranav Lala.

Pranav Lala

I just had a question regarding the wages you said that employee costs slated in for hikes, right, so when is that? and is it once a year and has it already happened? How is it?

Avinash Sethi

So Pranav it has already happened, we have done back to back appraisal. One happened in October 2020 and second one happened in March 2021 and we are also doing some revisions on the flyer because we have to retained people those who are resigning, those who are coming at a higher salary disturbing internal parity, so we are doing proactive their also. So, put together October and March, it was about 23-24% impact on the salary cost, plus as and when we are hiring new people, they are coming in at much higher rates benchmark, than what we used to have. So, over a period of year when, they all consolidate it will be a much larger impact. So that is where I am preempting and, unless the revenue grows faster than the cost, we will certainly see some on the margins.

Pranav Lala

Okay. And so, one more question regarding, so if this deal goes through, this acquisition goes through then would you have any cash left for further acquisitions or would you put those on hold for one or so years?

Avinash Sethi

So, once we take this, we would not have access cash for another such kind of an acquisition. So, we will have to figure out something else in terms of maybe go for raising more funds or just stay quiet for a year or two and generate more cash and then come back. So, it is situational so we will worry about it when we cross the pitch.

Pranav Lala

Okay. Thank you those were my questions. All the best.

Asha Gupta

Thank Pranav. We have next question from the line of Rishabh Jain. Please go ahead.

Rishabh Jain

Good afternoon sir. I have the question that, as you stated that we will be having 2x growth every two years. So any dynamic value stated that we will be having 2x growth in every two years. So are there any dynamic plans for such growth because 2x is a big number?

Avinash Sethi

That is what we are doing Rishabh. I think I mentioned in the start of my presentation that, that is a vision that you want to carry forward. We want to double ourselves every two years. Currently we are doubling ourselves every three years, look at this chart Rs.84 crores in FY17 versus Rs.165 crores and FY20 almost twice and Rs.97 crores in FY18 versus Rs.196 crores in FY21. So, FY17 is when we went public, we raise funds and FY19 is when we acquired a company. So, this is a combination of organic and inorganic, we were able to double ourselves every three years, for the past. I mean we have done it two times in the past four years, we hope, and we aspire to

do it every two years. It is obviously dependent on several other factors, but that is the goal that we want to strive for. We are currently falling little short of.

Rishabh Jain

Okay, so how do you see after the COVID pandemic, will the company be able to achieve the goals as we have achieved in the past?

Avinash Sethi

We should be able to do that, and I think from an IT services point of view COVID is actually fast forwarded and accelerated the entire ecosystem. The kind of accuracy growth that you see from big IT companies, it tells us that the market is very positive, there are lot of demand coming in from all quarters. And India is the only place in the world where we have such a large IT services professional. So therefore, a lot of work is coming to India. So, I am very positive for the next five years that we are on a wave and, we should be riding it, everybody should be riding the maximum benefit. So, I am very positive on that, COVID blues are already gone. It is actually the COVID challenges that are coming up in terms of talent challenges or work from home kind of challenges which is a different set of challenges. And I think the industry is mature enough to counter that successfully. Plus, we will come to the market if we are short of capital. So, we have this idea that every time we find any shortage in terms of capital for growth, we will want to go back to the market and raise the capital and fuel this growth.

Asha Gupta

Thank you, Rishabh. Next question comes from the line of Sachin Punjabi. Sachin, please go ahead.

Sachin Punjabi

First of all, very nice and clear presentation it's very understandable for individual investors as well. I have a question with regard to Salesforce implementation. So, the \$20 million order book, which is there, does it include Salesforce implementation projects, or this is something which will be seeing in coming years to come?

Avinash Sethi

No. Let me not confuse you further. So, we are not actively selling Salesforce because we don't have that kind of capability, where we can go out and sell. I mean, there are clients who are saying that we want this work to be done in Salesforce, which are our existing clients, we learn on the go and do it further. So, we have made an attempt where we have signed a term sheet with a company which is a third party who acquired them. As and when that happens, we will report, and we will share that this is a new capability that we are adding up. That \$20 million order book doesn't have anything to do with Salesforce, I mean there is a Salesforce revenue in it, which by virtue of existing clients. There is no new Salesforce component in it.

Sachin Punjabi

Got it. Thanks for taking my question.

Asha Gupta

Thanks Sachin. Next question comes from the line of Shubham Naik. Shubham go ahead.

Shubham Naik

I had just one, I just wanted to understand one dynamic that is like, is there a scope for you to increase the profit margins for a client or is it more like you have to acquire more clients to say increase the bottom line as well?

Avinash Sethi

Okay, so that's a good question. I think there are multiple things here that can be addressed one is we are also going back to our customers to revise rates. So, some of them have agreed, some of them are under negotiation and some of them will happen in future when the renewal comes. So, there is an active exercise we are trying to

revise our rate, which will certainly impact the margins directly. Second is, when we talk about learning and development, we are grooming team internally, so that we make a person ready for a project after a lot of investment in that new hire. So, whenever that person moves into an existing project, that person will certainly help improve the margin of that project. Obviously, the client has to approve of it, obviously the deliverables have to match the expectations, so that is a scaling project that we do internally, with the new members of the existing team members, and try and upgrade them so that they are billable to the client. So that is another exercise. The third part that you have asked is about the utilization rates, if I can increase utilization of my team, I will be able to improve margins. In the current situation, the utilization rates are more or less, at highest levels anyway. People are not sitting idle, those who can be billed are not sitting idle. So, there are areas where margin improvements can happen, as I talked about revised rate revisions or deploying skilled people, which are at a lower cost. So, these are some of those things, there could be process improvements that continuously we work on. So that is a constant exercise that we do every month. So yes, we are making attempts, but yes increase in revenue will always help because the other cost remains the same. So, a combination of all those things will certainly help's to protect some margins, but since team cost is anywhere between 65% or so, it is a largest component and if increases it will certainly impact.

Shubham Naik

Interesting, actually what you are doing with it is also interesting. I just had a follow up question to that, basically, like you said everyone is going out to colleges and hiring the new talent. Is there any success in terms of retaining them, say after two years or so in your company because that would kind of bring the cost down in terms of resources?

Avinash Sethi

It does. I mean we are able to retain the people at good length and I think what we have seen is talent is available locally, if we invest in them and if we groom them, then they tend to stay longer, which is what we have seen in the past also. So, what I am hoping is with so many new faces joining IT and by next 6-12 months there would be settled into the projects, the demand crunch will certainly reduce and the kind of, mad rush that is happening will certainly rationalize.

Shubham Naik

Got it. Thank you for answering my questions. It was great to hear, great results. Congratulations. Thank you.

Asha Gupta

Thank you, Shubham. We have question from Niharika that will be the last question for the day. Please go ahead

Niharika

Thank you so much. First of all, congratulations for the highest height of Rs.525 share price as a recent. And the only question of mine is as due to COVID, and after finally when the COVID is shutting down, the only challenge of the employees is there health, what InfoBeans will going to do for their health as after a pandemic? They need something like in their new routine to make it healthy, to make it better because as InfoBeans is going really very good though I would not feel any need to ask anything. But this is something which is for a backbone of companies. So, this is for employees.

Avinash Sethi

Absolutely agree, Niharika. I don't know if you can see my screen, you see these webs pasted on my wall. This is.... I run Marathon. So, Indore hosted six marathons in last six years. The first marathon, I encourage people in InfoBeans to run and the first one only had 5-6 members from InfoBeans. The last one had about 120 members from InfoBeans. So, what I am trying to tell you is, we are very serious about health and fitness for our team. We do conduct yoga sessions in our office, we do conduct, upper body massage in our office room, we do have cycling groups, we do have running groups, actually have a fitness group on WhatsApp it is called Sehat and in that we try and encourage people to post their daily progress or daily attempts that they are doing either running, cycling, yoga, Zumba, any other fitness thing or gym that they are doing, they should put it out there so that other people's get encouraged and if they miss out on one day friends can ask a question that has to what are you doing, why are

you missing your exercise in team. So, we are trying those things in order to create a club where we have a large number of people who are health oriented or with that mindset try and help them. We also conduct emotional wellbeing sessions where psychologists come and try and help people, or they can seek appointments on a one-on-one basis and go through those mental stress or mental challenges that COVID has put in front of us. We also do activities around regularly. So, there was a one month or month yoga program that we circulated among our team during COVID times, which was available for free. So, we do all of those things to try and encourage people to take their time out and spend something on the fitness side, because healthy body would be the place for a healthy mind and vice versa also. So, that is what we do very actively.

Niharika

That is really nice, thank you so much Avinash.

Asha Gupta

Thank you, Niharika. I will now hand over the call to Avinash for his closing comments.

Avinash Sethi

Thank you very much, Asha and Surbhi for helping me for this call and Diwakar as well. Thank you, all the participants. I am very happy to note that we have a much larger participation from our investor community this time and this is also increasing like the graph on the sales numbers that are shown here. So, I am really happy that, you are finding InfoBeans as a company worth your time and your money. So, thank you very much. We will try to be as transparent and honest, in terms of what we are doing, and we want to share our progress every now and then. So, we are here to certainly create a company which we should be proud of, and you should be proud of that you are a participant in that company in some way. Thank you very much and I hope you have a good day.