

To,

3<sup>rd</sup> August, 2023

<b>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</b>	<b>The Manager, Listing Dept. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 MH- IN Scrip Code: 543644</b>
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**Subject: Transcript of Investors/Earnings Con-Call held on Monday, 31<sup>st</sup> July, 2023.**

Dear Sir/ Madam,

In continuation to our announcement dated 28<sup>th</sup> July, 2023 w.r.t the Intimation of Investor conference call/ Earnings Call held on Monday, 31<sup>st</sup> July, 2023 at 05.00 PM.

Please find attached the transcript of the abovementioned Investor conference call/ Earnings Call. This intimation will also be available on the website of the Company: <https://www.infobeans.com/wp-content/uploads/2023/08/InfoBeans-Investor-ConCall-Transcript-for-June-2023.pdf>

This is for your information & record.

**Yours Faithfully**

**For InfoBeans Technologies Ltd**



**Surbhi Jain  
Company Secretary & Compliance Officer**

Encl: Transcript

# InfoBeans Technologies Limited

July 31, 2023, Q1FY24 Earnings Conference Call

## **Management**

Siddharth Sethi, Co-founder

Avinash Sethi, Co-founder

Mridul Maheshwari, Sr. Manager, Corporate Development

Krunal Sanghvi, Sr. Manager, Finance

## **Moderator**

Subhi Jain, Company Secretary & Compliance Officer

## **Conference Call Participants:**

Devvrat Himatsingka

Divyansh Gupta

Faisal Hawa

Sandeep Rajasekharan

Vikul Arora

Yugandhar B

## **Transcript**

### **Pratik Jagtap**

Good evening, everyone, and thank you for joining Q1 FY '24 InfoBeans Technologies Earnings Conference Call. For the formal introduction, I'll hand it over to Surbhi. Over to you, Surbhi.

### **Surbhi Jain**

Thank you, Pratik. Good afternoon, ladies and gentlemen. Welcome, everyone, and thanks for joining this Q1 earnings call of InfoBeans Technologies Limited. I request all the participants to please mute their mics. The results and investor updates have been updated on our website, and it is also available on the Stock Exchanges. In case anyone does not have access to the same, please do write to us. We'll 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 our Co-Founders; Mr. Siddharth Sethi and Mr. Avinash Sethi. We'll be starting the call with a brief overview of the company's performance, and then we will follow up with the Q&A session.

Kindly ask your questions by raising hands once the overview by Siddharth is over and then we will address every question 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 a forward-looking statement, must be viewed in conjunction with the uncertainties and risks that we face. These uncertainties and risks are included, but not limited to, what we have mentioned in the prospectus filed with the SEBI and subsequent annual reports, which you will find on our website.

With that said, I turn over the call to Mr. Siddharth Sethi. Over to you Siddharth.

### **Siddharth Sethi**

Thank you so much, Surbhi, and a very warm welcome to all our investors, supporters, and our key stakeholders across the globe. We'll just jump into a

brief summary of what InfoBeans is, how the quarter has been, and we'll try to answer your questions.

Just a quick overview about InfoBeans, we are a 1450 person strong organization. We are focused on digital transformation services and software product engineering services. We have a very strong presence in the United States, in India, Europe, and the Middle East. In India, we are based out of Indore, Pune, Chennai, and Vadodara. And in the U.S., its Silicon Valley, Atlanta, and New York. A few key milestones that we always want to talk about. Some of the key things that we have done over the past 20 years of existence. We went public in 2017, we got listed on NSE. Last year, we got listed on the BSE as well. We have done 2 major acquisitions. One, we acquired a company called Philosophie, which is focused on design and engineering services based in the U.S. that was in 2019. The second company that we acquired was Eternus Solutions. Eternus was a Salesforce platinum consultant partner and that was in 2021. They are based out of Pune.

So here, you can see some financial numbers and an overview. We've already talked about some of these numbers. What I would like to highlight here is that a company of our size has some very active Fortune 500 clients. Last year, revenue for FY '22-'23 was INR 399 crores just shy of INR 400 crores. And we hold a very strong cash position of INR 176 crores with us. We are platinum partners with Salesforce, we're premier partners with ServiceNow, gold partners with Microsoft, and one of the key things that we always try is to make the InfoBeans the best place to work. I'm very proud that year-over-year, we get some of these awards of best workplaces for India and the United States.

These are some of the offerings broadly that we provide enterprise software services on the cloud, design services around customer experience, user experience, rapid prototyping, then blockchain for very futuristic blockchain-based software solutions for operating not only blockchain but other technologies like artificial intelligence. Salesforce and ServiceNow are key ERPs that we focus on and RPA, CI/CD, DevOps, and services around the same.

As I said earlier, we have a very good roster of clients. Some of them, you can see the names, again, very large organizations. Some are under NDA, but many of those under NDA are also very large market leaders. The reason I sort of emphasize on these names is because our strategy is to try and become true value-added partners for these organizations so that we provide them value and in turn, we also grow along with them.

So, these are some of the key performance indicators. As you can see, the revenue last year's revenue grew from INR 289 crores to INR 399 crores. EBITDA did come down a little bit and so did PAT. ROE, ROCE also came down a little bit in FY '23, but very strong revenue numbers and still very strong EBITDA.

What we are is only because of our team. And I firmly believe that we are only as good as our team, but we're always very happy to post about our team. As you can see on the screen, people have spent years and years of their professional lives with InfoBeans, many of them spend more than 10 and 15 years with us and this form the backbone of what we do and what we aspire to be.

Coming to Q1, I would say, we have a stable revenue from operations, a slight dip in the revenue numbers, a slight dip also in the EBITDA and a significant drop in the PAT, we'll turn to some of the reasons as to why this drop is there. But happy to say that the revenue number in spite of the macroeconomic situation that we see, in terms of spending has remained very stable. And this is what we aspire for in terms of our growth. That we continue to grow our revenue, and we work on our product lines. So, revenue numbers June 2023 quarter, INR 94 crores, a slight dip from INR 98 crores, that is the total revenue. EBITDA has come down and as PAT for this quarter.

U.S.A. continues to be our biggest market in terms of geography. Then comes India and Europe and UAE, but also happy to say that Europe and UAE are getting significant dawn. When we say India, we also club some of the companies that operate from India, but are either global organizations or they are headquartered in the U.S., but they have their India operations. And our split in terms of digital transformation and product engineering has almost always been how it has been displayed and that is no different for this quarter.

Some of the things that we are doing to become more valuable to our customers, and this is essentially trying to invest in the future. A very significant investment is going into Artificial Intelligence. As you all know, ChatGPT has become the topic of the town. So, we have been investing a lot, not only in generative AI but other kinds of AI. We have developed an art exchange platform for one of our clients and we are also now putting in a lot of effort and as I said, adding more value to our clients by creating accelerators. These accelerators help us go to market faster, create a better value proposition for our clients and helps us in the reusability of what we have built, again to the benefit of our clients. We continue to invest in technology, as we've already seen and we talked about a little bit, sales and team efficiency. I think that is the name of the game for us right now, these 3 areas. We have seen a significant reduction in attrition. I think that is again something that is seen by the rest of the industry as well. Most of our team members at least in Indore are coming to the office, working from the office, and we have seen a lot of increased attendance in Pune, Vadodara, and Chennai. We are a very hands-on and face-to-face sort of organization. We are encouraging our team members to come to the office, and we are seeing some good results there. One of the things that we started off in the last few quarters was increasing our rates to better our margins. So, we have been able to increase our rates in conjunction with the increase in input costs. This is an ongoing process, and we are hoping to see some fruit of this labor in the next few quarters.

We spend a significant amount of our time and energy in training our people, as I said earlier on, our people is what we are. So, we have done a significant investment in Salesforce, ServiceNow, cloud, AI, ML, Blockchain and all of these technologies, and we think that these technologies are something that will take us into the next 4 or 5 years.

We spend a significant amount of time in M&A. We have been constantly looking out for the right fit. I do want to say here that we do not want to acquire just for the sake of acquisition. Our hunt continues, our quest continues to find the right fit and all of us would probably agree that apart from everything else, the cultural fit of the organization that we acquired with our organization is of paramount importance. We are continuously evaluating opportunities,

especially in the Salesforce, ServiceNow and hyperscalers areas.

We continue to participate in the industry events, so as to give a lot of exposure to our team and also show our side and enhance our brand in the market. A significant effort goes into that. Salesforce World Tour, ServiceNow Knowledge, ANSI, and some of the other things that we do, help us put our name out in front of our customers.

Leadership learning and development are always something that we want to do and encourage our team to exceed their own potential. We have done a lot of workshops on technology and soft skills as well. So, we're trying to groom the leadership for the next few years. And of course, these are some of the things that our team does that are yoga day, sports championships and everything so that we have a healthy mind and healthy body. Again, team is everything and the happiness of our team members and their little ones also is very important to us, Father's Day celebration, Mother's Day celebration, we value the family a lot. We call our organization, the second home, and not the first home because the first home is always that home, as we all know.

Some of the awards. So Madhya Pradesh Brand Leadership award, fifth time in a row, great place to work certified. This is something that we are keenly passionate about. Our CSR is not just lip service. We actually do a lot of work on the ground, just very recently because this right season also in a plantation drive we planted 500 trees by hand. We also did a lot of seeding work in the forest around this area. And the results are very encouraging. We are probably going to get thousands of trees from there in the next few years. And we continue to do those efforts year over year.

This is just market data, I think this is something you can get from the Internet as well, but this is price data as of 30th June 2023.

That is it from a quick update. I think we are now going to open the floor for questions.

**Pratik Jagtap**

Okay, Thanks. Thanks, Siddharth. For participants, those who want to ask the question, they can raise their hand. Then I will allow them to ask the question.

First question comes from Devvrat Himatsingka. Let me just unmute your line Devvrat.

Yeah Devvrat, you can go ahead.

**Devvrat Himatsingka**

I had a few questions. Now I want to understand what we are going to do to increase the revenues going forward because if we see over the past 3, 4 quarters, we have kind of flat line, and there has been no growth. And my guess would be that this would be because of maybe a slowdown in the ability to add higher clients or maybe a number of clients. So, what are we doing to try to increase our sales because at this rate, it's going to be tough to maintain Avinash Ji's previous vision of wanting to try to maybe healthily show good growth. So that would be my first question. If you could just answer that before I move on to the next question, Sir.

**Siddharth Sethi**

Yes, absolutely. See, I think you're right. We are seeing a little bit of a slack in demand. I think the U.S. market particularly has sort of, shall I say, paused its spending. What we are doing in terms of how to increase our revenue, we are investing very heavily in sales and investing in accelerators. As I said, the idea here is to become more efficient and add more value to our clients. And I think we have already started seeing some green shoots in terms of picking up of demand in terms of our investment in Salesforce and ServiceNow both.

Giving out anything else would be a forward-looking statement, but these are some of the things that we've already done and we are seeing a sense of positivity. Having said that, I think Avinash has always maintained that our profit margins will come under pressure. I think last maybe 8 quarters we have been saying this, that we will be seeing some pressure on the margin. Having said that, we are trying to increase our utilization levels. One of the reasons that



this has happened is a couple of our clients have actually stopped their work all together. And this is because of the funding scenario of the Capex cycle getting over a couple of 2 or 3 reasons. And that is where I think we got hurt significantly.

The good news is that over the past 2 or 3 years, we have made a very concerted effort in trying to get good value clients, as I said earlier, who we can grow with and we keep coming back to the Fortune 500 number. I think we are very well placed to take advantage of those. Are we going to see whatever Avinash's vision is in terms of 10x over a quarter, I don't think that is possible. But the long-term story remains intact.

**Devvrat Himatsingka**

Okay. Noted. In terms of profitability, I know that this would be, again, forward-looking guidance kind of thing. As your employee costs are up so much, would it be safe to assume that your hiring is now complete? And now going forward, whatever revenue that's generated is just going to be a function of that, and utilization, and so that should flow entirely down to the bottom line?

**Siddharth Sethi**

Partially yes, not 100%. And the reason is that in the software services industry, the space that we are in, sometimes there's a mismatch in what we have as inventory in terms of skill sets and what the market or client demands. As I said, we are a team-centric organization, our idea is not just to hire and fire. Our idea is to ensure that we have a stable bench and also ensure that the skill sets are right and we equip our people with the right skill sets also. So partially, you're right that we do have a good bench that we want to utilize, especially in the United States. And partially, I think we'll continue to hire as and where we see demand, hire or retain and reskill either way.

**Devvrat Himatsingka**

Understood. And sir, what is the likelihood that these provisions that we have made for bad debt is going to come or not like are we just going to consider that to be a complete write-off?

**Siddharth Sethi**

No. That is not a complete write-off. It is a best practice that we're trying to develop in the organization. It is not really based on any event. It is something that you're going to see for the long term. So that there are no surprises. I think a lot of credit goes to our finance team and partners who have suggested that we should do this. And I think that it will just almost always help us not to get any surprises at the end of the year.

**Devvrat Himatsingka**

Okay. Noted well, I wish you all the best for the future and hope we are able to achieve what we are setting out to achieve.

**Siddharth Sethi**

Thank you Devvrat.

**Avinash Sethi**

Devvrat, this is Avinash here. To add to the answer from Siddharth on the utilization and the impact on the bottom line. I think if we look at today, we should be able to collectively across all subsidiaries, the same team can deliver another \$1 million-plus kind of business, easily without any extra cost burden. So, if that happens, then all of that should trickle down to the bottom line, if there are more businesses coming in, obviously, we'll have to have more people supported required support to deliver that number.

But having said that, as Siddharth mentioned, there's a mismatch of talent and capabilities and then demand always usually comes on, that's a typical Murphy's law. Whatever you have doesn't sell, you actually have to have something else with the client wants. So that's how it is, right? And we continue to scale

ourselves again and again. So that's a routine business. But I think we could do more revenue with the same team easily.

**Pratik Jagtap**

Thank you Devvrat.

Divyansh, I'll just allow your mic, you can unmute yourself, and you can ask your question.

**Divyansh Gupta**

Just wanted to understand while, the revenue is flat line, have there been any new order wins or something that you can talk about?

**Siddharth Sethi**

We don't call out separate order wins like by name, but we do have a very strong pipeline, as I said earlier also, that demand is slowly and steadily starting to pick up again after the pendulum swing of COVID so COVID, of course, all of us saw that there was a sudden huge demand across the board for IT services, software, cloud, et cetera. Then I think there's a little bit of a pause in terms of the Capex and Opex that companies are willing to shell out. But going forward, I think that the cycle will pick up again, how much it will pick up remains to be seen, but we are seeing steadily increasing demand, not curve, which is very steep, but definitely, there are green shoots and positive behaviours on that.

**Divyansh Gupta**

Got it. With respect to your clients, if you can throw a bit of a light on, that, what kind of industry is your revenue distributed? So you had given a geography split and while you have given digital transformation and product engineering as the split by segment. But if you can give the nature of the end user of the services

like telecom is how much of revenue or industries or manufacturing and all some color on those.

**Siddharth Sethi**

Divyansh, we do not give out industry-specific breakups. What I can tell you is that we are very agnostic in terms of industry. And I think we are a little bit more broad-based than that. In general, we work a lot with publishing organizations, data storage organizations, manufacturing organizations, high-tech organizations, the companies that provide high-tech services to their clients. But this is not an exhaustive list. As I said, we are more broad-based than vertical-based.

**Divyansh Gupta**

Got it. You are investing on the team for hiring and for let's say sales business? But if is there an onshore/offshore mix that you have or you would target?

**Siddharth Sethi**

We don't target an onshore/offshore mix. I think we just want to provide the best services from wherever we can. And I think COVID has accelerated that a little bit more, especially in the European region, where before COVID people wanted people to be on site. And post-COVID, I think all of us understood that it doesn't really matter that much. So, we don't have a target mix in mind. We just want to maximize the value that we give to the client, to maximize our return on the investment as well.

**Divyansh Gupta**

So, then margins should ideally leave aside quarter-on-quarter, but let's say, from pre-COVID to now, then your margin should go up, right? Because if, let's say, you are doing a lot of business from offshore, then there will be lesser travel cost, lesser visa costs and all other things that should lead to a margin expansion. Maybe right now, you have over-hired, or you have hired for a future growth, and therefore, margins are showing lower. But, is it then a fair

expectation that the margin should ideally go up even whatever at the pre-COVID level?

**Siddharth Sethi**

No. So we have never been onshore heavy in that sense. If you're saying that a lot of our people have moved from U.S. or Europe to India, we have never been onshore heavy. So that comparison will not hold because most of our teams is in India in any case. So that comparison is probably not correct. Also, what has happened post-COVID is all of us know that salary costs, our employee costs have increased tremendously. So that is hurting our margin and for the industry in general, we are seeing that the cost of hiring a person whether the person is in India or anywhere else has increased dramatically, in fact, where you can hire a person in India. It's even if you do not have a presence in it. So, you get that competition as well. But those heavy increases in employee costs, probably we will not see moving forward. So, the margins should not probably go down below this level for sure. And we are very conscious of this fact that the margins are down. And for us, making a profit while running a business is a paramount importance. So, we will be working very consciously to ensure that the margins are kept in control.

I would again like to emphasize for the benefit of all that, and a lot of credit goes to Avinash here, but he has been communicating that our margins that were like a year or even 2 years ago were extraordinarily high. And moving forward, they will come down. So, it's a pendulum swing again it will go up, then will go down and then it will settle somewhere in there.

**Pratik Jagtap**

Sandeep, I'm just allowing your mic. You can go ahead.

**Sandeep Rajasekharan**

Could you comment a little bit about your client concentration, I mean what is the share of revenue coming from top 10 or top 25 clients?

**Siddharth Sethi**

Give us a second we have that number. So top 10 is contributing roughly 60% of our overall revenues. The idea here is not to be dependent on 1 or 2 or 3 clients. And over the past, 5-7 years, we have been very conscious of the fact that our revenue should be more broad based. So, I think it's a good thing that the top 10 are only 60% and 40% are coming from a lot of the other clients. It also shows that we have opportunities to grow the accounts of the remaining 40% of revenue. This is where a lot of our growth for the next 2 years will come from.

**Pratik Jagtap**

I have unmuted your line Vikul. You can go ahead.

**Vikul Arora**

So last quarter, Mr. Avinash said, there are 2 or 3 companies for M&A, which are shortlisted. Any update on that?

**Siddharth Sethi**

Yes, Vikul, we were able to give out nonbinding offers, term sheets to 2 at least. However, as I said, the acquisition needs to happen for the right reason at the right price and culturally, it has to be the right fit. We are still seeing, especially in some areas, that the private sector valuations of organization are still sky high. Founders want to move still, at least we would not be comfortable acquiring companies just so that we can increase our financial bulge. The reason has to be right, the price has to be right. We were able to give 2 term sheets, but the deal did not go through. We are still talking with at least 3 firms that I know. I wouldn't say very advanced discussions, but we are in discussions with at least 3 firms.

For us, this is an ongoing process. Even if we buy a company tomorrow morning, it's not that we stop the process. We continue to find ways, because acquisition is not an easy thing to do. There's a lot of due diligence that needs to happen, hunting that needs to happen, and then, of course, the actual integration of the organizations. It remains a key aspect of our growth, but again, it has been

sustainable growth. So yes, we are continuously actively, proactively looking for acquisition targets for the right reasons.

**Pratik Jagtap**

Faisal, I have unmuted your line. You can unmute and ask your question

**Faisal Hawa**

In the ServiceNow or the Salesforce ecosystem in the implementation, what is it exactly that we do? And can you just explain it to us, let's say, if it's a Fortune 500 company, which is wanting to do the ServiceNow or the Salesforce integration. Where does our work actually come in and how many engineers do, we generally debuted for Fortune 500 kind of company?

**Siddharth Sethi**

What we do in Salesforce and ServiceNow as you might know, these are tools that enable you to create a digital workforce, it falls under digital transformation practices. Typical ServiceNow implementation is mostly, but not always, mostly for ITSM, ITIL sort of limitations and then they can graduate to things like finance and HR and similarly, Salesforce is mostly CRM tool initially and then again, it graduates to many others. What we do is we help our clients in terms of choosing what is the right platform, whether this ServiceNow or something else or Salesforce or something else. We have them in the implementation of that platform. We help them in customization, enhancement, and of course, maintenance. So the entire life cycle for all these platforms, we help our clients. In terms of team size, it can range from 100 or it depends on the vision of the client, what is the client's approach for these? And what have we been engaged for, are we engaged for the entire life cycle of the project, initial part, end part. So there's a lot of variables that come into play. But a good sense, a good idea would be anywhere between 5 to 20, shall I say. But again, don't take this as a rule. This is just a very generalized statement. But these things are very exciting, especially for enterprises. I think as part of the digital transformation journey, especially after COVID, the Salesforce, ServiceNow on the cloud, these kinds of tools are very much in demand, and we hope to capitalize on that.

**Faisal Hawa**

Are we looking at Europe also as a major kind of area where you could use up our presence? And are we increasing any kind of sales persons there?

**Siddharth Sethi**

Yes. In fact, Europe is one of the fastest-growing geographies for us. If you can see the presentation, the slide shows that it is 7% already. We are investing very heavily in Europe, in the Middle East, in India, in U.S.A., all 4 geographies.

But Europe definitely holds a very significant place and a lot of the Fortune 500 companies that we are looking at are in Europe. Unfortunately, I can't name them, but you can now look at the TAP 50 companies, and we'll probably have a few clients from that scale.

**Faisal Hawa**

With our limited resources, how are we increasing our visibility amongst customers or getting better branding for our product because in many customers, even to get an entry may be difficult for many projects that because of our size of operations. So is there any kind of thought process that we are putting in there?

**Siddharth Sethi**

Absolutely. There is a slide there that shows some of the events that we attend. So some of these events are flagship events. Now if you see on the slide, ServiceNow Knowledge 2023, India Dreaming 2023. These are 2 flagship events from ServiceNow and Salesforce, respectively. In September, we're going to attend Dreamforce, which is, again, a very large event organized by Salesforce. It's called Dreamforce by Salesforce...

The virtue of the fact that we've been attending these events in the past 7, 8 years, minus the COVID period, we have built a good amount of credibility in the market. What you are saying is absolutely right. We can do more. We should do more given our size. However, one of the key things that we bring to the table is being much smaller than really large systems integrators, and therefore, we



are able to give a lot more importance to our clients. And that is what I think attracts our clients. The question that you always need to ask ourselves is why do we have 15 Fortune 500 organizations? Why do they come to InfoBeans small, relatively small company in India. They can go anywhere. I think the secret sauce there is, if I may call it, a secret sauce, is that our ability to build trust with human beings that is something that we are probably good at, again for you to judge and for our clients to judge. But we strive to build that trust for the long term, and that is where I said earlier also that we have a good roster of these sort of clients ServiceNow, Salesforce help us put a foot into the door. And then we go into those tracks, we build trust and we expand. And that is where I think most of our growth is going to come at least in the near future. But having said that, we're continuously investing and trying to get new clients through some of these events, and of course, our sales team also continuously works.

**Faisal Hawa**

Sir, you said that we have Gold certification from Microsoft. What does it mean for our business? And which particular vertical of Microsoft do we work with? And what has led to us getting this gold certification.

**Siddharth Sethi**

So we've been Microsoft Gold-Certified for, I think, the past 20 years, give or take. I don't know the exact number, but at least about 18, 20 years. What it helps us is that we get access to Microsoft technology earlier than others. It also helps us in terms of how we position ourselves in front of our clients, which shows a certain level of expertise in that area. The kind of work that we do in Microsoft, it varies. As you know, the Microsoft ecosystem is a very, huge ecosystem. But we do work on Microsoft Dynamics. We do work on the classic Microsoft .NET, programming platform. And then there are certainly other areas that we also work in terms of power BI, Power Apps.

**Pratik Jagtap**

Faisal, I would like you to come back in a queue. There are more participants, those who want to ask the question. So, I would like to ask you to come back in

the queue. The follow-up question is from Divyansh. And Divyansh, please stick it to one question, and then we can take the 2 questions from the other 2 participants as well. You can go ahead.

**Divyansh Gupta**

Sure. I'm actually a bit new to the company. So, wanted to understand who are your typical competitors. And when pitching to a new client, what are your differentiators? Or what helps you win a project? I understand large clients, a small client will not be of much value add all that focus because being more nimble and all. But when pitching for a project, what are your differentiators?

**Siddharth Sethi**

Differentiators are exactly what you talk about being nimble and being able to build that trust. I firmly believe that business has not happened between 2 corporates. Business happens between 2 individuals, the other person is the largest company in the world or the smallest in the world, I think business transactions only happen with the person trusts you much. And I feel, as I said earlier, that we have developed a certain level of standing in the market. Our clients are very happy to recommend us. We rarely see a client drop out of our client roster unless we want them to drop off because the business has come down, they have shut shop or whatever the reason might be. But for the most part, we are able to retain 99.9% of our clients.

The ability to stand in front of the client to talk positively to talk their language to give them value in terms of price in terms of the offering that we have, in terms of the value that we can bring to the table. And ultimately, whether we are able to build or earn the trust of the client. I think all of these factors are going to come into play in terms of our ability to sell.

Our competitors, we can't name our competitors, but you can think of any company in the world, which is in a similar space, starting from the top biggest to the smallest, we come across them. And of course, there are situations where we definitely win more situation if we are able to state of the site, we are able to win. And then, of course, we use also.

**Pratik Jagtap**

Yugandhar, I am allowing your mic. You need to unmute your line, and you can ask your question.

**Yugandhar B**

Hi, everyone. As part of the presentation, I can see we are looking for AI and ML as well. So can you throw a light on what are the things that we developed and implemented for the customers? And in terms of revenue, whether it is significant or very small revenue that we are getting in this kind of area.

**Siddharth Sethi**

So, AI, the revenue at this point is small. It is not insignificant. It is small. But the whole idea is that this revenue share from things like AI and ML definitely going to continue to increase in the next few years. I think there's no denying that fact. So I think it is better that we are investing in things like AI, ML, blockchain, metaverse, etc, today, and try and pitch those ideas to our customers. And I have personally done that in the past 6 months or so. And I think, and happy to say and also I think it is the need of an hour, very excited about this. We do see the value, it is not that flash in the past or the technology that comes into, whether it stays its current form or changes the form that time will tell, but at this time, I think it is something that is I wouldn't say generating a lot of revenue but definitely generating a lot of interest.

In the time to come, it will definitely result in revenue. Also, we are investing in our team here so that they can also use AI tools in their to their day-to-day work. So if they were to drive to code, can they make use of AI tools so that they are our internal target is at least 30% more efficient than whatever last. So, we deal with those kinds of tools and training also.

**Pratik Jagtap**

Participants who want to ask questions may raise their hand and this will be our last question for the day.

As there are no further questions, I would like to hand it over this call to Siddharth for the closing comments, over to you Siddharth.

**Siddharth Sethi**

Thank you so much, Pratik. Thank you so much to all the investors, all our well-wishers out there. We continuously focus on adding more and more value to the ecosystem that we are part of. We want to grow. We want to grow sustainably. There is no lack of hunger in us to grow. At the same time, we don't want to be a flash in the pan that today we do tomorrow. We want to make it a very sustainable long-term growth. We want to make InfoBeans an institution rather than a one-of organization. I want to thank all of our investors who have been with us for years and years together, they have trusted us with their money, and it really means a lot, that is a huge responsibility on me, Avinash, Mitesh and the rest of the 1,450 InfoBeans team to make sure that we not only are reaching our expectations but exceeding our expectations as a very good corporate citizen as well. So, we want to run a business, want to grow it, and we will become really good corporate citizens and the organization that you are really proud to be a part of.

Thank you so much, everyone, and I wish all of you a very pleasant evening.